

# **Branded Entertainment as an experiential marketing tool to Generation Y consumers in South Africa**

**Ninel Lara Musson**

**A research report submitted to the Faculty of Commerce, Law and  
Management, University of the Witwatersrand, in partial fulfilment of the  
requirements for the degree of Master of Management in Strategic  
Marketing.**

**Johannesburg, March 2014**

## **ABSTRACT**

Branded Entertainment is defined as the integration of brands and brand messages into entertainment vehicles.

Branded Entertainment has evolved over the last eight decades to become a popular marketing practice worldwide and a multi-billion dollar industry, spanning several forms of media and entertainment. Several insights into the evolution of Branded Entertainment, how it is defined, the benefits and challenges for practitioners and the environmental factors affecting its use today are discussed in this report.

The purpose of this research is to offer a greater understanding of the views of practitioners and consumers in South Africa on Branded Entertainment. This study presents the views of a sub-set of South African consumers towards Branded Entertainment. The sub-set of respondents is Generation Y consumers, born between 1980 and 2000. This group of consumers is believed to be marketing savvy, disloyal and difficult to reach with traditional marketing; at the same time, this group is important to markets due to their sheer size and spending power.

The research methodology adopted was a mixed method approach. Twelve semi-structured in-depth interviews were conducted with marketing practitioners from agencies and representatives of brands that are involved in Branded Entertainment. The results were content analysed to identify key themes. For the quantitative study, 330 Generation Y respondents participated in a survey using a structured questionnaire. The questionnaire consisted of 20 questions relating to views on Branded Entertainment. The data was analysed using factor analysis and multiple regression analysis.

The research findings, based on interviews with practitioners, show that the main factors affecting the use of Branded Entertainment are media fragmentation; competitive forces; relevance to the target market; relevance to

the brand; technology; target market; integration; authenticity; media convergence; lifestyle; adds value and brand world.

Based on the quantitative study, the factors affecting the use of Branded Entertainment are better entertainment; lifestyle, fun; values; and the acceptability of branded entertainment as a paid exchange. Overall Generation Y was shown to have a positive view towards Branded Entertainment.

## DECLARATION

I, Ninel Lara Musson, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of management in Marketing Strategy in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

-----

Ninel Lara Musson

Signed at .....

On the ..... day of ..... 20.....

## **DEDICATION**

This work is dedicated to my family, Doreen, Frank and Zania and to my person, Lebogang. Thank you for all your support and encouragement. I could not have done it without you.

## **ACKNOWLEDGEMENTS**

Thank you to my family, Doreen, Frank, Zania Musson and also Lebogang for your consistent encouragement and support.

To my supervisor, Professor Geoffrey Bick, thank you for your supervision guidance, criticism and encouragement to keep going during difficult times.

I would like to thank staff and lecturers of Wits Business School for all they have taught me and inspired me to do. I specifically thank, Neale Penman, who assisted me with the statistical analysis.

I must express my appreciation for the subjects who agreed to be interviewed for this research, all are exceptionally busy professionals, and I thank you for your time and contribution to this research.

I must also thank those who participated in my survey and assisted in the completion of the research.

This study is a culmination of a series of challenges and experiences. My hope is that it provides useful insights to marketing and business practitioners in South Africa.

# TABLE OF CONTENTS

<b>ABSTRACT .....</b>	<b>ii</b>
<b>DECLARATION.....</b>	<b>iv</b>
<b>DEDICATION .....</b>	<b>v</b>
<b>ACKNOWLEDGEMENTS.....</b>	<b>vi</b>
<b>TABLE OF CONTENTS .....</b>	<b>vii</b>
<b>LIST OF TABLES.....</b>	<b>x</b>
<b>LIST OF FIGURES .....</b>	<b>xii</b>
<b>CHAPTER 1: INTRODUCTION .....</b>	<b>1</b>
1.1 PURPOSE OF THE STUDY .....	1
1.2 CONTEXT OF THE STUDY.....	2
1.3 ENVIRONMENTAL FACTORS AFFECTING BRANDED ENTERTAINMENT .....	3
1.3.1 MEDIA FRAGMENTATION .....	3
1.3.2 COMPETITIVE LANDSCAPE.....	4
1.3.3 AUTHENTICITY.....	4
1.3.4 BUDGET AND EFFECTIVE MARKETING SPENDING .....	5
1.3.5 TECHNOLOGY .....	5
1.4 THE CHANGING CONSUMER: INTRODUCING GENERATION Y.....	6
1.5 PROBLEM STATEMENT .....	7
1.5.1 MAIN PROBLEM .....	7
1.5.2 SUB-PROBLEMS .....	7
1.6 SIGNIFICANCE OF THE STUDY .....	7
1.7 DELIMITATIONS OF THE STUDY.....	8
1.8 DEFINITION OF TERMS .....	8
1.9 ASSUMPTIONS .....	10
<b>CHAPTER 2: LITERATURE REVIEW .....</b>	<b>11</b>
2.1 INTRODUCTION .....	11
2.2 BACKGROUND DISCUSSION .....	12
2.2.1 TRADITIONAL MARKETING.....	12
2.2.2 EXPERIENTIAL MARKETING .....	13

2.3	BRANDED ENTERTAINMENT.....	17
2.3.1	THE EVOLUTION OF BRANDED ENTERTAINMENT .....	17
2.3.2	DEFINING BRANDED ENTERTAINMENT .....	20
2.3.3	THE BENEFITS OF BRANDED ENTERTAINMENT.....	27
2.3.4	BRANDED ENTERTAINMENT TODAY .....	28
2.3.5	PROPOSITION 1 .....	34
2.4	MARKET SEGMENTATION .....	34
2.5	GENERATIONAL THEORY .....	35
2.5.1	GENERATION Y .....	35
2.6	CONSUMER ATTITUDES ON BRANDED ENTERTAINMENT .....	38
2.6.1	PROPOSITION 2.....	40
2.7	VIEWS TOWARDS BRANDED ENTERTAINMENT .....	40
2.7.1	PROPOSITION 3.....	41
2.8	THE CHALLENGES OF BRANDED ENTERTAINMENT .....	41
2.9	ETHICS AND REGULATION OF BRANDED ENTERTAINMENT .....	42
2.10	CONCLUSION .....	42

## **CHAPTER 3: RESEARCH METHODOLOGY .....43**

3.1	RESEARCH DESIGN .....	43
3.2	THE QUALITATIVE RESEARCH STUDY .....	43
3.2.1	RESEARCH DESIGN.....	44
3.2.2	POPULATION AND SAMPLE.....	45
3.2.3	THE QUALITATIVE RESEARCH INSTRUMENT.....	45
3.2.4	PROCEDURE FOR DATA COLLECTION .....	46
3.2.5	DATA ANALYSIS AND INTERPRETATION .....	46
3.2.6	LIMITATIONS OF THE STUDY.....	46
3.2.7	VALIDITY AND RELIABILITY FOR QUALITATIVE RESEARCH .....	47
3.3	QUANTITATIVE RESEARCH STUDY .....	47
3.3.1	RESEARCH DESIGN .....	47
3.3.2	POPULATION AND SAMPLE.....	49
3.3.3	PROCEDURE FOR DATA COLLECTION .....	49
3.3.4	DATA ANALYSIS AND INTERPRETATION .....	50
3.3.5	LIMITATIONS OF THE STUDY.....	51
3.3.6	VALIDITY AND RELIABILITY FOR QUALITATIVE RESEARCH .....	51

## **CHAPTER 4: PRESENTATION AND DISCUSSION OF RESULTS – QUALITATIVE STUDY .....52**

4.1	DEMOGRAPHIC PROFILE OF RESPONDENTS .....	52
4.2	PRACTITIONER PERCEPTIONS OF BRANDED ENTERTAINMENT.....	53
4.2.1	DISCUSSION OF PRACTITIONER PERCEPTIONS OF BRANDED ENTERTAINMENT.....	55
4.3	CHALLENGES OF BRANDED ENTERTAINMENT.....	57
4.3.1	DISCUSSION ON RESULTS FOR CHALLENGES OF BRANDED ENTERTAINMENT.....	59
4.4	RESULTS PERTAINING TO PROPOSITION 1 .....	59
4.4.1	DISCUSSION RELATING TO PROPOSITION 1 .....	66
4.4.2	NEW FINDINGS .....	71
4.5	CONCLUSION OF THE RESULTS .....	74



## **CHAPTER 5: PRESENTATION AND DISCUSSION OF RESULTS – QUANTITATIVE STUDY .....75**

5.1	DEMOGRAPHIC PROFILE OF RESPONDENTS .....	75
5.2	RESULTS OF FACTOR ANALYSIS PERTAINING TO PROPOSITION 2 .....	77
5.2.1	FACTOR ANALYSIS .....	77
5.2.2	FACTOR 1 - BETTER ENTERTAINMENT .....	82
5.2.3	FACTOR 2 - LIFESTYLE.....	83
5.2.4	FACTOR 3 - FUN.....	83
5.2.5	FACTOR 4 - VALUES .....	84
5.2.6	FACTOR 5 - BRANDED ENTERTAINMENT IS ACCEPTABLE .....	85
5.2.7	FACTOR 6- ACCEPTABLE PAID EXCHANGE.....	86
5.2.8	FACTOR 7- UNINTERRUPTED AND AUTHENTIC.....	86
5.3	DISCUSSION OF RESULTS PERTAINING TO PROPOSITION 2.....	87
5.3.1	FACTOR 1 - BETTER ENTERTAINMENT .....	88
5.3.2	FACTOR 2 – LIFESTYLE, FACTOR 3 – FUN AND FACTOR 4 – VALUES .....	89
5.3.3	FACTOR 5 – BRANDED ENTERTAINMENT ACCEPTABLE AND FACTOR 6 – ACCEPTABLE PAID EXCHANGE .....	90
5.3.4	FACTOR 7 - UNINTERRUPTED AND AUTHENTIC .....	91
5.3.5	CONCLUSION TO PROPOSITION 2 .....	91
5.4	RESULTS PERTAINING TO PROPOSITION 3 .....	92
5.4.1	MULTIPLE REGRESSION .....	92
5.4.2	CONCLUSION .....	95

## **CHAPTER 6: CONCLUSION AND RECOMMENDATIONS .....96**

6.1	INTRODUCTION .....	96
6.2	CONCLUSIONS OF THE STUDY .....	96
6.3	RECOMMENDATIONS .....	100
6.4	SUGGESTIONS FOR FURTHER RESEARCH .....	102

## **REFERENCES ..... 105**

## **APPENDIX A..... 116**

QUALITATIVE RESEARCH LETTER TO RESPONDENTS.....	116
QUALITATIVE RESEARCH INSTRUMENT .....	117

## **APPENDIX B: TRANSCRIPT OF QUALITATIVE INTERVIEW... 118**

## **APPENDIX C: QUANTITATIVE RESEARCH INSTRUMENT..... 123**

## **APPENDIX D: FACTOR AND REGRESSION ANALYSIS ..... 125**

## LIST OF TABLES

Table 1: Definitions of Branded Entertainment from previous literature .....	21
Table 2: Type of respondents targeted in this study.....	45
Table 3: Advantages and disadvantages of the survey method .....	48
Table 4: Type of respondents who participated in this study.....	52
Table 5: Question 1 - What is your understanding of Branded Entertainment?	53
Table 6: The Challenges of Branded Entertainment .....	58
Table 7: The successful use of Branded Entertainment today depends on the following factors .....	60
Table 8: Comparisons .....	66
Table 9: Rotated Component Matrix .....	79
Table 10: Rotated Component Matrix .....	81
Table 11: Better Entertainment .....	82
Table 12: Lifestyle .....	83
Table 13: Fun .....	84
Table 14: Values .....	85
Table 15: Acceptability of Branded Entertainment .....	85
Table 16: Acceptable paid exchange .....	86
Table 17: Uninterrupted and Authentic.....	87

Table 18: Summary of results – Proposition 2.....	88
Table 19: Results of the Regression Model Summary .....	93
Table 20: ANOVA Test.....	94
Table 21: Coefficients Table.....	94
Table 22: The criteria to consider for successful Branded Entertainment .....	97
Table 23: Generation Y Attitudes on Branded Entertainment .....	98

## LIST OF FIGURES

Figure 1: Characteristics of Traditional Marketing .....	12
Figure 2: Characteristics of experiential marketing .....	14
Figure 3: The evolution of Branded Entertainment over the last century.....	19
Figure 4: Branded Entertainment: the convergence of Advertising and Entertainment.....	23
Figure 5: Advertainment Typology .....	24
Figure 6: The Product Placement - Branded Entertainment Continuum .....	25
Figure 7: The scope of experiential marketing, Branded Entertainment and product placement.....	27
Figure 8: An example of a five-point scale .....	49
Figure 9: The number of male vs. female respondents .....	76
Figure 10: Age bands of respondents .....	77
Figure 11: Scree Plot .....	80

# **CHAPTER 1: INTRODUCTION**

## **1.1 Purpose of the study**

The purpose of this research was to explore Branded Entertainment as a form of experiential marketing to Generation Y individuals in South Africa. This report discusses and outlines the benefits of using Branded Entertainment to target Generation Y individuals in South Africa. This information will be useful for marketing practitioners in South Africa and all brands that do business with Generation Y consumers in South Africa.

There have been several studies on brand placement, particularly in film as an entertainment medium, academic writing has not kept pace with the growth of the practice of Branded Entertainment, which has been discussed widely and often incorrectly in the popular press (Karrh, 1998). According to DeLorme, Reid and Zimmer (1994) and Russell and Stern (2006) scholarly work on Branded Entertainment is just over two decades old. As a relatively new field, it calls for more research to focus on how Branded Entertainment works and how it can meet the various marketing and communication challenges of the current global marketplace. Studies on Branded Entertainment are important as Branded Entertainment has become an increasingly important marketing practice and represents an interesting and challenging area for research with unique social and legal implications (Karrh, 1998). Hudson and Hudson (2006) state that the level of interest in Branded Entertainment is widespread in the marketing and media industry, with more than 251 articles published in 2005 alone. Academics have still to conceptualise Branded Entertainment and document its impact on the marketing landscape, which is surprising because the subject has received good coverage in publications and magazines (Hudson & Hudson, 2006).

Academic research on Branded Entertainment is pithily summarised by Chan (2012) into five research categories:

- [1] Analysis of the nature of brand appearances in movies or television programmes;
- [2] Empirical studies of Branded Entertainment effectiveness;
- [3] General discussion on the development and trends in Branded Entertainment;
- [4] Examination of marketing practitioners' views on Branded Entertainment; and
- [5] Cross-cultural comparisons of the interpretation and ethical acceptability of product placement.

Prior research has established that the field of Branded Entertainment is dominated by studies from the USA and Europe and more recently Asia (Chan, 2012; Lee, Sung & Choi, 2011). Previous research has reviewed perspectives of college students (Karrh, 1995) and generational cohorts, such as 'Baby Boomers' (Schmoll, Hafer, Hilt & Reilly, 2006). No previous study has been identified that has focused on Africa or South Africa.

The research in this study examines Branded Entertainment from the perspective of both South African marketing practitioners and Generation Y individuals from the point of view of the consumer. It discusses the utility of Branded Entertainment as a useful experiential marketing tool.

## **1.2 Context of the study**

Areas of marketing referenced in this research include experiential marketing, Branded Entertainment and generational theory. Schmitt states, "Today, customers take functional features and benefits, product quality and a positive brand image as given" and he argues that now consumers want campaigns "that dazzle their senses, touch their hearts, stimulate their minds that they can relate to and incorporate into their lifestyle, ... consumers want marketing campaigns [that] deliver an experience" (Schmitt, 1999, pp 22).

Pine and Gilmore (1999) describe the Experience Economy and make the recommendation that companies change their focus to the selling of experiences with their products and services as props and a stage, charging admission for participation in the experience only. Schmitt (1999) argues that the growth of experiential marketing is due to several macro factors. The first relates to the current global omnipresence and ubiquity of information technology. The second is about the importance of the brand, which speaks to the availability of information about brands globally and instantly (digitally) as well as the extensive use of product brand extensions. Schmitt (1999) suggests that today, products have become about enhancing consumer experiences.

Koch and Andersen (2009) state that the focus on experientially driven marketing is based on the realisation that traditional advertising in traditional media has become less efficient in affecting consumers' attitudes towards the brand. At the same time, consumers have shown an increased demand for company staged experiences. Branded Entertainment was first documented with the appearance of Lever Brothers products in a film in 1896 (Newell, Salmon & Chan, 2006). Since then, it was neither a well organised nor a rapid growth area until the late 1970s (Chan, 2012). Several documented environmental changes that could explain the increase in the use of Branded Entertainment over the last four decades. These factors are described below.

## **1.3 Environmental Factors affecting Branded Entertainment**

### ***1.3.1 Media Fragmentation***

A significant increase in the demand by brands for advertising space across media platforms has resulted in a significant increase in advertisement messages presented to the individual consumer per day. Confronted with more than 15 attributes at once, individuals may experience information overload, which will have an adverse effect on processing of information and decision-making (Koch & Andersen, 2009; Malholtra, 1982). Koch and Anderson (2009) report that increasing competition has led to a significant increase in the number

of advertisement messages presented to the individual consumer per day. Due to media fragmentation, media proliferation and the declining relative impact of advertising efficacy, product placement has therefore become an effective way to reach consumers (Williams, Petrosky, Hernandez, 2011).

### **1.3.2 *Competitive landscape***

Koch and Andersen (2009) advise that marketing practitioners globally be faced with increasing challenges to communicate effectively with their prospective customers due to increased competition, as the time to copy products and features has reduced and because there are limited differentiation factors between products (commodities). The result is that marketers have to focus on creating a unique position in the customers mind.

According to Strazdina (2009), experiential elements added to the brand experience are consistent with existing brand communication and it can be said it will strengthen the overall message, and thus provide a competitive advantage to the company and brand. Strazdina (2009) also expects that experiential marketing will increase over time, with the increasing pressure from customers demanding it and the increased competition between brands, which will become even more prominent over time.

### **1.3.3 *Authenticity***

As suggested by Koch and Andersen (2009) the use of Branded Entertainment is a means of building or maintaining authenticity due to their unobtrusive and slightly experiential nature. They state that it is essential that the target group for experiential marketing perceives coherence between the brand and the content of the experiential campaign, for example an event. This coherence is termed authenticity (Pine & Gilmore, 2007).

Williams et al. (2011) state that viewers enjoy Branded Entertainment provided realism is added to the scene. Snoddy (2006) has found that viewer enjoyment of product placements increases for Branded Entertainment, where products



are an integral part of the script. Snoddy (2006) conjectures that peoples' lives are so saturated with brands that the inclusion of identifiable products adds to the sense of reality and he goes so far as to say even, validates the individual's reality.

#### ***1.3.4 Budget and effective marketing spending***

Koch and Andersen (2009) state that marketing practitioners all over the world are faced with ever-increasing challenges in their attempts to effectively communicate with their prospective customers within financial constraints. Globalisation has increased the scope of competition and brands must compete on share-of-voice and devote extra effort to differentiation in the consumers' minds. This has led to increased demand for media in terms of time (radio and TV) and space (print, outdoor and online), which also perpetuates issues relating to media fragmentation. Production budgets in entertainment have shrunk and companies are looking at alternative funding (Hudson & Hudson, 2006) and one of these alternatives is Branded Entertainment.

Williams et al. (2011) state that viewers enjoy Branded Entertainment provided realism is added to the scene. Snoddy (2006) has found that viewer enjoyment of product placements increases for Branded Entertainment, where products are an integral part of the script. Snoddy (2006) conjectures that peoples' lives are so saturated with brands that the inclusion of identifiable products adds to the sense of reality and he goes so far as to say even, validates the individual's reality.

#### ***1.3.5 Technology***

Technology has enabled viewers to pause and rewind live TV, record pre-set programmes, and skip through advertising to bypass television commercials (Mokate, 2012). It is estimated that two-thirds of TV viewers cut the sound during commercials, channel-surf, or skip them altogether because they are annoying or irrelevant. Smit, van Reijmersdal and Neijens (2009) have found

that the industry considers brand placement and brand-integrated programs as the future of television advertising.

The possible distractions and tools for avoidance are common, as technological development presented tools such as digital video recorders (PVR), broadband access and mobile subscriptions, which are readily available for web surfing even while performing another activity. This allows for multi-product use and eases the act of ad-avoidance so that even if a marketer succeeds in presenting his or her message in the right medium at the right time, success is not guaranteed as many consumers actively seek to avoid exposure to advertisement messages rendering the communication effort irrelevant (Strazdina, 2009). The rise of Internet television such as YouTube is eroding the traditional TV market, and advertisers are turning to Branded Entertainment to recapture the attention of its audience (Mokgata, 2012).

#### **1.4 The changing consumer: Introducing Generation Y**

Gurau (2012) reports that the age structure of today's youth market is made up of members of the so-called Generation Y, also known as the Millennials, and are widely defined as the people born between 1980 and 2000 (Williams, 2008; Tay, 2001). Gurau (2012) suggests that this segment of consumers is important as they have a high discretionary buying power relative to their incomes. In addition, companies are facing intense competition for more mature customers and therefore companies may decide to build a strategy around acquiring young people and retaining them over time. This also increases the likelihood of cross-selling products and thus building a deeper profitable relationship with customers.

Generation Y is an attractive segment as it is the largest demographic group in many developed countries and therefore is a highly lucrative segment (Gurau, 2012). Young consumers too are considered influential in household spending. Generation Y is important in the decision-making of adults and parents for

purchases such as computers, Internet service providers, cars, clothes, cosmetics and holidays (Wolburg & Pokrywczynski, 2001).

Lazarevic (2012) states that marketers need to find ways to create a relationship between their brand and Generation Y consumers in order to increase brand loyalty of this notoriously disloyal segment. Koch and Andersen (2009) report that marketers have addressed some of these environmental challenges in reaching consumers, through an experientially driven approach to marketing based on engaging customers through providing experiences. Branded Entertainment is considered an experientially driven marketing tool (Koch & Andersen, 2009).

## **1.5 Problem statement**

### ***1.5.1 Main problem***

This study explores the views of Branded Entertainment as an experiential marketing tool in South Africa.

### ***1.5.2 Sub-problems***

The first sub-problem is to understand the views, on Branded Entertainment, of marketing practitioners who target Generation Y consumers in South Africa.

The second sub-problem is to understand how Generation Y views Branded Entertainment.

## **1.6 Significance of the study**

Branded Entertainment is a relatively new field that calls for more research to focus on how Branded Entertainment works and how it can meet the various marketing and communication challenges in the current global marketplace (DeLorme, et al., 1994; Russell & Stern, 2006).

Previous academic research has examined practitioner's views on Branded Entertainment (Karrh, 1995; Karrh, McKee, & Pardun, 2003; Russell & Belch, 2005). It has focused on research in the USA and Europe (Chan, 2012) and no previous studies have been identified that have focused on Africa or South Africa. This study fills a unique gap in the literature as it specifically reviews the perspectives of South African practitioners and consumers of Branded Entertainment and discusses the utility of Branded Entertainment as a useful experiential marketing tool in South Africa.

While research thus far has focused on reviewing the perspectives and views of college students as a consumer segment (Karrh, 1995) and generational cohorts, such as Baby Boomers in the developed world (Schmoll, et al., 2006), this study focuses on the Generation Y cohort, in South Africa.

## **1.7 Delimitations of the study**

- This research report focuses on respondents in Gauteng only.
- This study focuses only on consumers that fall into the category of Generation Y, those born between 1980 and 2000.
- The study includes persons of all races and religions.
- The study includes males and females.
- The study includes individuals of varying education levels.
- The study includes individuals who are employed (part-time and full-time) and students (part-time and full-time).
- This study may have limited generalisability, regarding understanding and describing Generation Y, in the USA and Europe, as it is specifically applicable to consumers in South Africa.

## **1.8 Definition of terms**

- *Experiential*: derived from the noun, experience, describing something that provides an experience (Koch & Andersen, 2009).

- *Experiential marketing*: defined by Schmitt (1999) as marketing which: focuses on consumer experiences, treating consumption as a holistic experience recognising the rational and emotional drivers of consumption.
- *Traditional advertising*: defined as marketing communication that is predominantly one-way, persuasive, obtrusive and defined by the media in which it is brought (Koch & Andersen, 2009). Examples of traditional advertising in traditional media include: TV commercials, advertisements in print media, radio advertisements, web advertising including pop-ups, overlays and mouse over effects on web pages (Koch & Andersen, 2009).
- *Branded Entertainment*: defined by the UK Branded Content Marketing Association (BCMA, 2011) as a company who pays a TV channel or a programme-maker to include its products or brands in their programme. The Association of National Advertisers (ANA, 2011) defines it as a fully integrated means of linking a product within an entertainment source. Hudson and Hudson (2006) define Branded Entertainment as the integration of advertising into entertainment content, whereby brands are embedded into storylines of a film, television programs, or other entertainment mediums. This includes co-creation and collaboration between entertainment, media and brands.
- *Generation Y*: also called Generation Next, the Digital Generation and Echo Boomers and is widely defined as the people born between 1980 and 2000 (Miller and Associates, 2011). Other definitions indicating a slightly different time intervals, such as 1982 to 2005 (Howe & Strauss, 2000). Many authors agree that the Millennial generation has different values, characteristics and behaviour compared with Generation X, born between 1961 and 1980.

## **1.9 Assumptions**

- This study assumed that respondents are exposed to Branded Entertainment and can express their perceptions and attitudes reliably.
- The study assumes that the total number of respondents were sufficient to gain adequate data.
- The study assumes that responses from respondents are without bias and are truthful.

## CHAPTER 2: LITERATURE REVIEW

### 2.1 Introduction

This chapter describes previous academic literature on the key subjects of this study, which includes experiential marketing, Branded Entertainment and the Generation Y cohort.

More than a decade ago, Schmitt (1999) documented insights on experiential marketing in his book, *Experiential marketing: How to get customers to sense, feel, think, act and relate to your company and brands*. The insights from this author sets the scene for the change from traditional marketing towards experiential marketing and discusses the environmental factors that have led to these changes as well as the differences, benefits and challenges. Schmitt (1999) argues that the future success of a brand in the global marketplace will depend on its ability to deliver a desirable customer experience.

Koch and Andersen (2009) state that the term experiential describes any action that engages customers in a personal and memorable way through providing as many sensory, emotional, cognitive, behavioural, and relational impressions as possible.

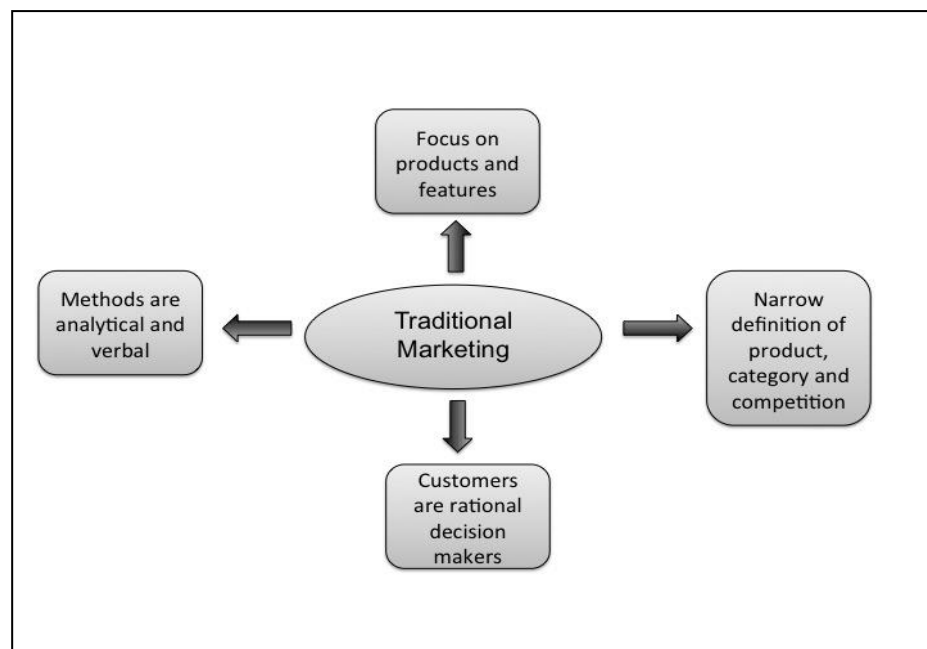
In the last few decades, the initial practice of product placement has matured and become more sophisticated. Branded products are no longer just placed, but instead woven into entertainment content making a stronger emotional connection with the consumer; this convergence of advertising and entertainment is best described as Branded Entertainment (Hudson & Hudson, 2006). This study proposes that Branded Entertainment be described as a form of experiential marketing.

Both product placement and brand placement have been used interchangeably in previous academic literature (Chan, 2012). This study refers specifically to Branded Entertainment defined in detail in the next section.

## 2.2 Background discussion

### 2.2.1 *Traditional Marketing*

Traditional marketing views consumers as rational decision-makers who care about functional features and benefits. Schmitt (1999) suggests that traditional marketing was developed for an industrial age economy, where products not experiences were important. This type of marketing is no longer suitable for today's information economy where information, branding and communications have evolved.



**Figure 1: Characteristics of Traditional Marketing**

(Schmitt, 1999)

Figure 1 shows the four key characteristics of traditional marketing according to Schmitt (1999):

- [1] Focused on features and benefits by brands who assume that customers are rational and select products based on highest overall product utility.



- [2] Product categories and competition are narrowly defined e.g. cereal brand A competes with cereal brand B only and not with other breakfast meal alternatives for example.
- [3] Customers are viewed as rational decision makers who undertake rational reasoned action in order to satisfy needs.
- [4] Marketing methods and tools are analytical, quantitative and verbal.

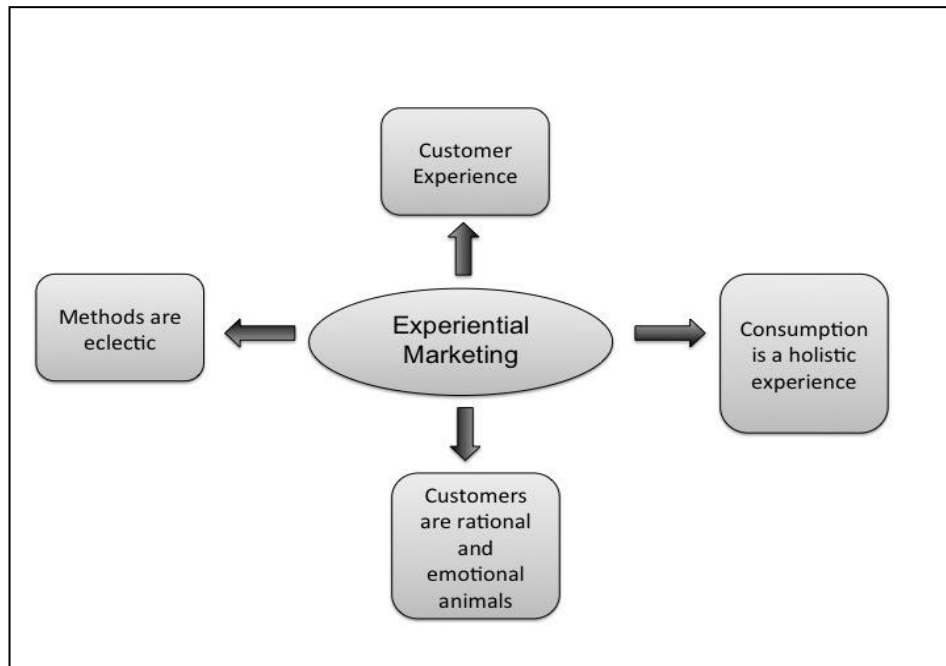
Koch and Andersen (2009) define traditional advertising and media as marketing communication that is predominantly one-way, persuasive in an obtrusive manner in the sense that it appears within editorial content in the media in which it is brought. Examples of traditional advertising in the traditional media are TV commercials, advertisements in print media, radio advertisements, pop-up and banner advertisements on websites and overlays and mouse-over effects on web pages.

### ***2.2.2 Experiential marketing***

Schmitt (1999) defines experiential marketing as marketing which focuses on consumer experiences, treating consumption as a holistic experience and recognising both the rational and emotional drivers of consumption.

“Customers today take functional features and benefits, product quality and a positive brand image as a given. They want products, communications and marketing campaigns that dazzle their senses, touch their hearts, stimulate their minds and deliver an experience” (Schmitt, 1999, p. 57).

Schmitt (1999) defines experiential marketing as having four key characteristics, seen in Figure 2.



**Figure 2: Characteristics of experiential marketing**

(Schmitt, 1999)

Schmitt (1999) describes experiences as a customer encountering, undergoing or living through things and providing sensory, emotional cognitive a, behavioural and relational values that replace functional product values. This is the key characteristic of experiential marketing. The second key characteristic is the holistic experience of consumption, where brands need to ask themselves which products will fit into a consumption situation, then design products, packages and communication to enhance this experience. A third characteristic describes relational and emotional consumers (not just rational) that are driven by emotions and cognitive processes. The final characteristic of experiential marketing is that methods and tools are eclectic and not bound to one methodological ideology; some are highly analytical and quantitative while others intuitive and qualitative or even ideographic (customised to the situation), but not nomothetic (same standard format for all).

Schmitt (1999) suggests a strategic framework for managing experiences that involves considering several strategic experiential modules (SEMs). Each module has a specific structure and process.

The experiential modules include:

- [1] *Sensory experiences* (SENSE): that could involve all five senses; sight, sound, touch, taste and smell.
- [2] *Affective experiences* (FEEL): which are about inner feelings and emotions linked to specific triggers, which may be different depending on country and culture.
- [3] *Creative cognitive experiences* (THINK): which appeals to intellect, problem solving and engages creatively with consumers.
- [4] *Physical experiences, behaviours and lifestyle* (ACT): which shows consumers an alternative way of doing things. Here the brand may use motivational or aspirational settings and environments to change a lifestyle or behaviour.
- [5] *Social-identity experiences* (RELATE): linked to a reference group or culture. This could show consumers an ideal or version of future-self that they wish to aspire to and to which they currently relate. According to Koch (2009), this type of marketing is about utilising marketing as a means for connecting people or groups of people to induce social experiences that make the individual relate to other individuals, groups, and cultures through the brand. This will often be induced using sense, feel, think, and act marketing.

Strazdina (2009) states that experiential marketing is the idea of creating brand experiences for customers to see, feel, hear, and live the brand and will enhance and manage the customer perception and relationship with the company, brand or product. Koch and Andersen (2009) state that experientially driven marketing is adopted because traditional marketing in traditional media is becoming less efficient in affecting consumers' attitudes towards a brand. McCole (2004) suggests that marketers focus on an on-going emotional attachment between a brand and consumer through a unique experience, which can only be created when the brand takes its brand essence and brings it to life in the form of an event, experience, or interaction.

### *The experience economy*

In *The Experience Economy* Pine and Gilmore (1999) suggested that western societies were in the process of evolving from a service economy to an experience economy, characterised by an increasing demand for staged experiences for goods and services. Pine and Gilmore (1999) argue that companies need to change their focus to the selling of experiences with their products and services as props and a stage, charging admission for participation in the experience only.

Experiential marketing is increasing due to the ubiquity of communications and entertainment in an environment where everything is branded; everything becomes a form of communication and entertainment (Schmitt, 1999). "Today's customers are more focused on intangible attributes of the product than the features and benefits" (Wreden, 2005, p. 14-15).

McCole (2004) advocates that marketers focus on an ongoing emotional attachment between a brand and consumer through a unique experience, which can only be created when the brand takes its brand essence and brings it to life in the form of an event, experience, or interaction. Strazdina (2009) confirms that customers are seen to be winning more power in the market and want more interaction with companies, products and brands. Technology has allowed for two-way communication between brands and consumers (via social media) and therefore brands have the opportunity for more engagement and conversation.

Companies have also begun to recognise and appreciate having emotional bonds with customers (Egan, 2004) and one-way communication is no longer effective. The brand message needs to not only be communicated to customers, but also accepted, understood and ideally experienced by them. This has led to increased use of experiential marketing, a more holistic approach. Strazdina (2009) concludes that competition has changed and products no longer compete in pre-defined and obvious categories, but live and evolve depending on what the customers make of them. Both Strazdina (2009) and Marconi (2005) suggest that experiential marketing is a methodology, not a

tactical tool and state that there are no definitions on format, media, or costs, but that the practice is a long-term one, to create positive brand or product associations in the customer's mind. Having first-hand experience of a certain product also makes it easier for customers to talk about it, thus increasing word of mouth marketing (Strazdina, 2009), which can in itself be a competitive advantage.

Previous research has shown that consumers are also showing an increased demand for company staged experience, which could drive strong emotional influence with consumers and build brand equity (Koch & Andersen, 2009; Wreden, 2009). McCole (2004) suggests that the company not use traditional segmentation to do this but group people according to their values, their enjoyment, personality type and social group.

## **2.3 Branded Entertainment**

### ***2.3.1 The evolution of Branded Entertainment***

In the early years of Branded Entertainment, the idea of connecting entertainment with consumption messages could be seen in the appearance of shots of products from the Edison factory and Edison's industrial clients in early films (Hudson & Hudson, 2006).

Figure 3 describes the evolution of Branded Entertainment. The practice dates back to the beginning of the film industry in the United States at beginning of the 1930. Product placement began with the appearance of a UK soap manufacturer, Lever Brothers, in a French film in 1896 (Newell, et al., 2006).

Initially the practice was termed 'publicity by motion picture', 'co-operative advertising', 'tie-in advertising', and 'exploitation' and involved either on-screen exposure of a product, off-screen endorsement by an actor or a combination thereof instead of paid advertising and the first record of a Branded Entertainment agency was in the 1930s (Russell, 2007). In the 1950s, as television was launched, placements were integrated into this new platform.

Programs were sponsored by and named after brands (Hudson & Hudson, 2006); examples include *The Colgate Comedy Hour* and *Kraft Television theatre*. Brands used these shows as opportunities to promote the features of the brands. The majority of these Branded Entertainment deals operated on barter-style agreements, where the brand provided free props and would often lend advertising support to promote the film in return for the support (Hudson & Hudson, 2006). It was not until the 1970s that placements shifted away from bartered agreements to paid inclusions (Balasubramanian, 1994). Today, several examples of barter-style Branded Entertainment examples still exist. Several, un-paid barter-arrangement examples of Branded Entertainment can still be found today, for example FedEx, who did not pay to be featured in the 2000 movie, *Castaway*, but it, did supply airplanes, trucks, packages and uniforms for the movie (Russell, 2007). In the 1970s, Branded Entertainment gained attention when the sale of Reese's candy dramatically increased by 65 percent within a month of it appearing in the movie *ET: The Extra-Terrestrial* by Steven Spielberg (Tsai, Liang & Liu, 2007). This was best described by Mortimer (2002) "The father of modern Branded Entertainment was a wrinkled alien ... tempted out of hiding with a pack of little-known American sweets called *Reese's Pieces*" (p. 22).

In the 1980s it was initially defined by Balasubramanian (1994) as 'hybrid forms' of promotion and defined as a paid attempt to include branded products in films or television programmes to influence audiences who do not explicitly identify with the sponsor. He went on to describe that Branded Entertainment includes the appearance of a brand name, logo, or identifiable trademark on products or product packaging; a definition used several times in later academic literature (Gupta & Gould, 1997). Patil and Bisoyi (2012) reports that the practice of placing brands in Bollywood films for money began in the late 1990s.

Modern placement of brands also takes place in other entertainment vehicles and are increasingly common in video games, music videos and novels (Chang, 2003; Karrh, 1998) and has become a multi-million-dollar industry (Karrh et al, 2003).

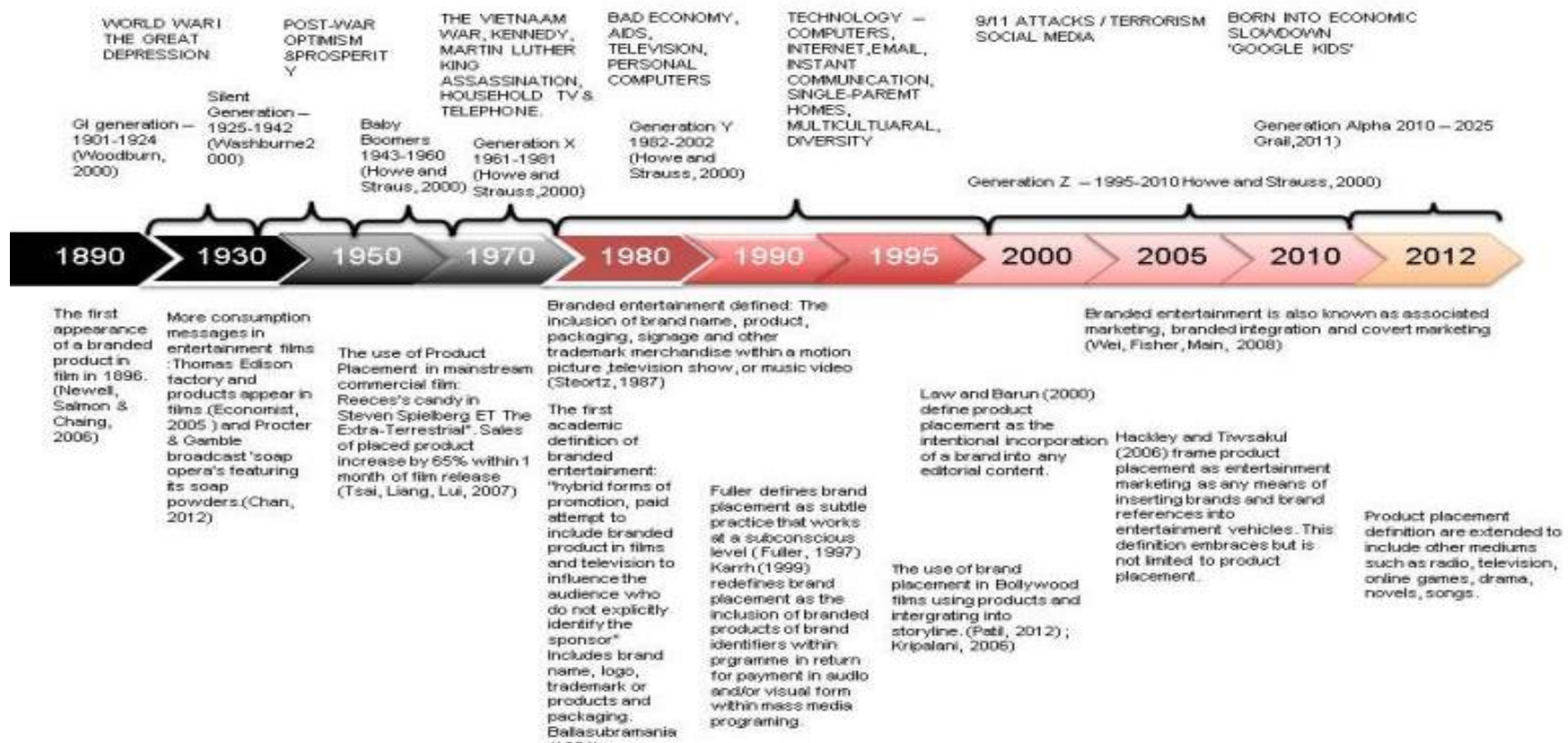


Figure 3: The evolution of Branded Entertainment over the last century

(Source: Author's derivation from literature)

### **2.3.2 Defining Branded Entertainment**

Definitions of Branded Entertainment have evolved since the early description by Balasubramanian in 1991, who defined the placement of brands in film as a new genre of marketing communication tools, which he called 'hybrid messages'. Hybrid messages combine elements of advertising and publicity to generate more persuasion than traditional advertising appeals, due to the credibility given by the audience to the source (e.g. a celebrity) and whether the message is viewed as less threatening (e.g. when viewed during entertainment). Many later definitions acknowledge the use of the practice in other entertainment and media vehicles. Karrh (1995) describes it as the inclusion of branded products or brand identifiers within programmes in return for payment, in an audio and/or visual form. Hackley and Tiwsakul (2006) frame product placement as "entertainment marketing", which refers to any means of inserting brands and brand references into entertainment vehicles.

According to Hudson and Hudson (2006), many later definitions also use the term integration. Advertising Age (2004) coined the phrase for Branded Entertainment as a hybrid advertisement and uses the expression 'Madison and Vine', reflecting the physical intersection of the advertising industry hub in New York on Madison Avenue and the entertainment hub on Vine Street.

There are several different terms used in literature to describe the practice of placement but several omit some key dimensions, such as the use of the practice across entertainment and media vehicles. Several definitions make no distinction between product placement and Branded Entertainment. Later, a model is presented to draw the distinction between the two marketing practices.

A list of key definitions is summarised in Table 1.



**Table 1: Definitions of Branded Entertainment from previous literature**

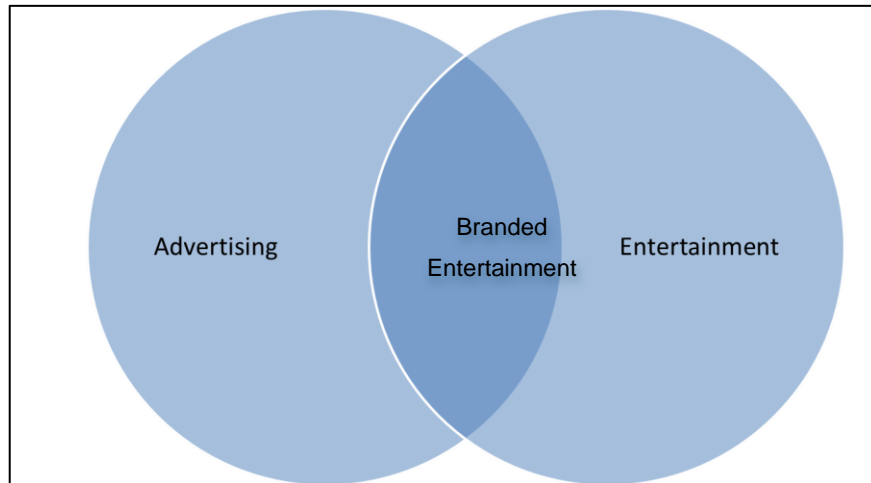
Article	Definitions adopted
Balasubramanian (1994, p 31)	A paid product message aimed at influencing movie (or television) audiences via the planned and unobtrusive entry of a branded product into a movie (or television program)
Gupta and Gould (1997, p. 37)	It involves incorporating brands in movies in return for money or for some promotional or other consideration
Fuller (1997, p. 110)	A more insidious form of advertising: products and ideas that are more subtly introduced at a subconscious level
Karrh (1998, p. 33)	The paid inclusion of branded products or brand identifiers, through audio and/or visual means, with mass media programming
Russell (2002, p. 306)	The practice of placing branded products in the content of mass media programming. Russell (1998) has proposed three types of placements: visual, verbal and plot placement. Visual placement, or 'screen placement', simply integrates the brand visually into the background
Tiwsakul, Hackley and Szmigin (2005, p. 98)	A promotion placed in a non-promotional entertainment context, where the promotional intent is not made explicit
Russell and Belch (2005, p. 74)	The purposeful incorporation of a brand into an entertainment vehicle
Hudson and Hudson (2006, p 1)	A new term to describe a more contemporary sophisticated use of product placement
Van Reijmersdal, Neijens and Smit (2007, p. 403)	The intentional incorporation of a brand into editorial content
Wei, Fischer and Main (2008, p. 35)	Involves attempts to expose consumers to brands by embedding them into outlets not typically considered advertising terrain

Karrh (1998) stated the difference between the use of the terms product placement and brand placement, pointing out that it is generally a particular brand rather than a product type, which is highlighted and that brand placement better captures the essence of the practice. Additionally, Williams, Petrosky, Hernandez and Page (2011) suggest that product placement can be described in the same way as Branded Entertainment, where trademark merchandise is inserted into and used contextually in a motion picture, television or other media vehicle for commercial purposes. They propose that Branded Entertainment be defined as the purposeful incorporation of commercial content into non-

commercial settings and consists of an advertiser / company producing engaging content in order to sell something (Falkow, 2010; Williams, Petrosky, Hernandez & Page, 2011).

Russell (2007) coined the term 'advertainment' to reflect the increasingly intertwined connections between advertising and entertainment. He refers here to promotional practices that integrate brand communications within the content of entertainment products, across a broad range of entertainment vehicles including TV, film, radio, songs, music videos, plays and even novels. Hudson and Hudson (2006) define Branded Entertainment as a new term to describe a more contemporary sophisticated use of product placement.

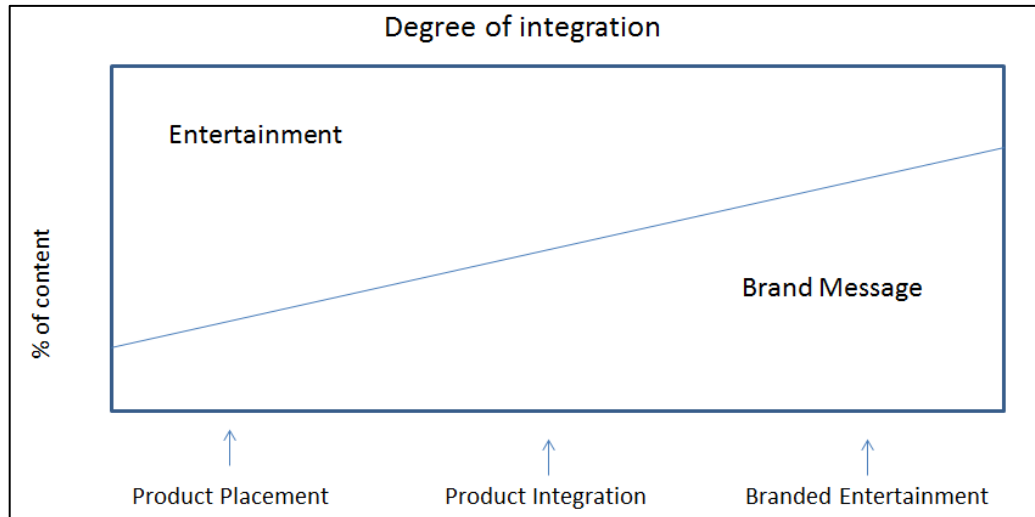
In summary, several terms are used in academic literature to describe the practice of Branded Entertainment. In response to the confusion over terminology, Hudson and Hudson (2006) proposed that for the purposes of their article, the term Branded Entertainment will be used and be defined as the integration of advertising into entertainment content, whereby the brands are embedded into the storylines of a film, television program, or other entertainment medium. This involves co-creation between entertainment, media and brands. This study proposes the term Branded Entertainment will be similarly used to describe the practices of advertainment and brand and product placements. This is depicted graphically in Figure 4.



**Figure 4: Branded Entertainment: the convergence of Advertising and Entertainment**

(Hudson & Hudson, 2006)

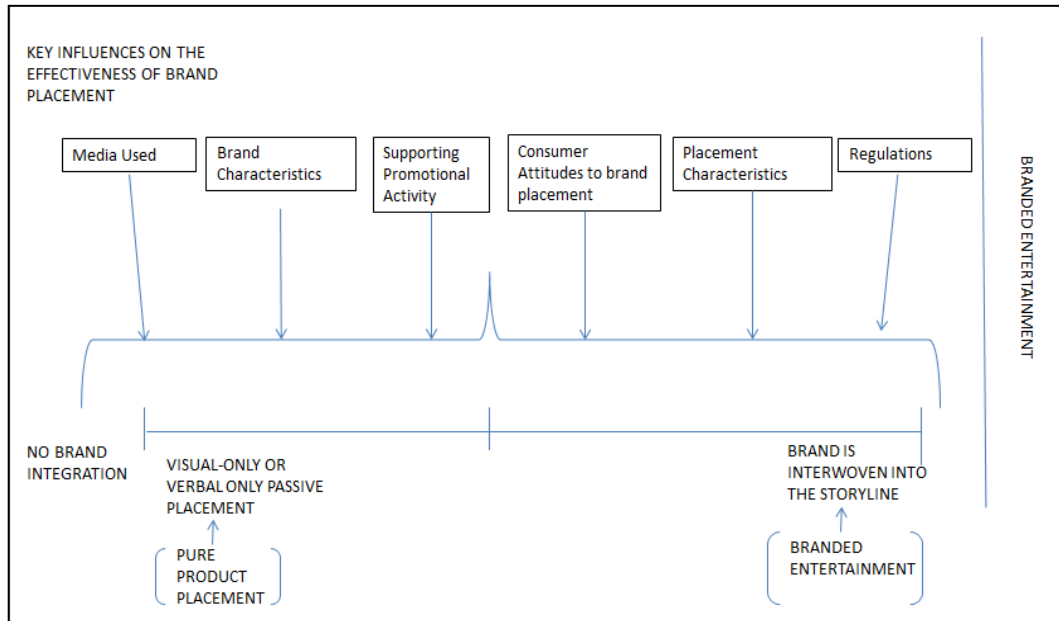
Figure 5 shows the interplay between Product Placement and Branded Entertainment. Russell (2007) advises that the classification be based on the degree of integration of the brand in the entertainment content, shown on the horizontal axis. The simplest form is Product Placement, which is not integrated into the entertainment. At the end of the axis is Branded Entertainment where the brand is integrated into the entertainment and may even guide the development of the entertainment content.



**Figure 5: Advertainment Typology**

(Russel, 2007)

Product Placement is defined by Russell (2007, p. 5) as "the purposeful incorporation of a brand into an entertainment vehicle". The brand can be represented in audio or visually or both. He refers to product integration as a more extensive placement of the brand that plays a role in the entertainment, for example, in a film where the brand is a part of the plot in a film. In many cases, the brand is involved in the creative and production process and collaborates to ensure control of the portrayal of the brand and best showcasing of the features and benefits of the product or brand. Often, there are opportunities for cross-promotional campaigns because of the partnership, for example, publicity. Hudson and Hudson (2006) present the differences between pure product placement and Branded Entertainment on the continuum presented in Figure 6.



**Figure 6: The Product Placement - Branded Entertainment Continuum**

(Hudson & Hudson, 2006)

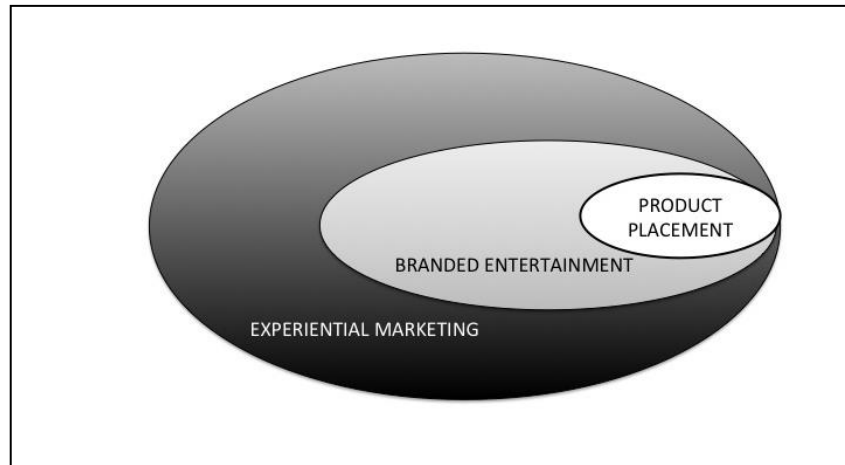
Figure 6 presents the level of brand integration with the entertainment to distinguish between pure product placement (no brand integration) and Branded Entertainment (where the brand is interwoven into the entertainment). Under this model, an example of pure product placement would be the Coca Cola brand name in the programme *American Idol*. An example of Branded Entertainment would be the use of Reece's Pieces in the film *ET*, where the candy featured prominently in the plot of the film.

- 1) *Media used*: the decision around the vehicle used for placement be it film, television, videogames, novels, plays, songs, magazines or other vehicles is an important factor in the effectiveness.
- 2) *Brand characteristics*: some consumer brands lend themselves to placement more than others. According to Hudson and Hudson (2006), Business-to-Business brands, for example, do not show an interest in placement, while other research suggests that atypical brands have better results from placements (Karrh, 1998). Ethically charged products, such as alcohol and cigarettes are perceived by consumers to be less acceptable than others are (Gupta & Gould, 1997).

- 3) *Supporting Promotional Activity*: Sauer (2005) believes that there needs to be a promotional campaign around the placement in order to achieve a call to action.
- 4) *Consumer attitudes towards placements*: as researched by Nebenzahl and Secunda (1993), show that consumers have a generally positive view of placements, which resulted in an increase in brand loyalty as it validated the purchase decision of the consumer.
- 5) *Placement characteristics*: the link between the entertainment vehicle and the brand is very important.
- 6) *Regulations*: Regulations around Branded Entertainment vary in different countries across the world and in different mediums, affecting the practical use of Branded Entertainment.

Based on the academic literature reviewed for this study, Figure 7, derived from the literature, represents the conceptual links between experiential marketing and Branded Entertainment, both of which are driven by similar environmental factors. These factors involve traditional media being ineffective (Koch & Andersen, 2006); competitive forces (Strazdina, 2009); the need for two-way consumer engagement (Koch & Andersen, 2006); technology (Schmitt, 1999) and the desire to create brand equity (Wreden, 2005; Marconi, 2005). Experiential Marketing is defined broadly, as a holistic consumption experience (Schmitt, 1999) with various applications.

In terms of the strategic SEMS framework presented by Schmitt (1999), Branded Entertainment is closely related to two pillars, ACT and RELATE (as defined in Section 2.2.2). Koch and Andersen (2009) described Branded Entertainment as an example of experientially based marketing. This study proposes that Branded Entertainment is a form of experiential marketing. Branded Entertainment, defined by Hudson and Hudson (2006), is a more contemporary, sophisticated and integrated use of product placement. Product Placement is one basic, unevolved, form of Branded Entertainment.



**Figure 7: The scope of experiential marketing, Branded Entertainment and product placement**

### ***2.3.3 The benefits of Branded Entertainment***

Hudson and Hudson (2006) summarised the benefits of Branded Entertainment:

- [1] Solution to advertising avoidance and media fragmentation;
- [2] Authenticity for producers, by adding realism to film or television and other content;
- [3] Boost to brand awareness, raise brand affinity and encourage prospective purchases
- [4] Efficient and alternative marketing tool.

The use of Branded Entertainment has certain positive characteristics such as being uninterrupted, as opposed to traditional advertisements, because it is part of the entertainment instead of being brought in segments in between (Koch & Andersen, 2009). The appeal of the entertainment (movie, series, event, character, ambassador) can be targeted specifically at certain consumers based on their preferences and aspirations.

Tsai, Liang and Liu (2007) found that higher brand awareness results in a greater recall rate, positive attitudes and a stronger intention of buying. .

### **2.3.4 Branded Entertainment today**

Branded Entertainment and the inclusion of branded products in entertainment is becoming an increasingly important 'big business' (Karrh, 1998). Branded Entertainment growth is expected to outpace that of traditional advertising and marketing (Russell & Stern, 2006).

Hudson and Hudson (2006) note the growth of the entertainment industry as key trends for the rise in Branded Entertainment. They advise that over the last few decades the entertainment industry has boomed and is now distributed and consumed through a variety of media.

The rise of two relatively new key entertainment vehicles, Reality TV and Video-gaming, is highlighted. Reality TV has a focus on real-world situations and lends itself to the integration of real products and brand names. The reality show, *The Apprentice* was tasked with launching Crest's new brand of toothpaste (Hudson & Hudson, 2006). Branded Entertainment video games are increasing with specific reference to 'advergaming', where advertisers create a game around a product, rather than place a product within an existing game (Hudson & Hudson, 2006).

Several reasons for this growth are described in detail in the following sections:

#### *Media fragmentation*

A decade ago, Mittal (1994) estimated that the American consumer on average was exposed to more than three thousand advertisement messages per week. That is an average of 35 advertisements per hour based on an average of 12 hours spent awake. The amount of advertising consumers are exposed to today is realistically much higher. It is conceivable that information overload occurs daily in the life of today's consumers (Koch & Andersen, 2009). Exposure to excess numbers of advertising messages leads to a deterioration of the individuals' attitude towards advertisements (Malholtra, 1982) and as consumer advertisement attitudes become more unfavourable, the probability of them displaying ad-avoidance behaviour increases.



Similarly, Whelan and Wohlfeil (2006) recognised the insufficiencies of traditional approaches to marketing and emphasised the effectiveness of event-based marketing through engaging consumers in personally relevant real lived experiences as a means of brand building. Falkow (2010) states that being able to brand interesting and valuable online content, which attracts readers and viewers might be the shortest way to consumers' hearts and minds.

Koch and Andersen (2009, p. 9) pose the following statement: "Even if a marketer succeeds in presenting the message in the right medium at the right time, success is not guaranteed as many consumers actively seek to avoid exposure to advertisement messages".

### *Competitive Landscape*

Koch and Andersen (2009) advise that marketing practitioners globally are faced with increasing challenges to communicate effectively with their prospective customers within financial constraints. Globalisation has increased the scope of competition and brands must compete on share-of-voice and devote extra effort to differentiation in the consumers' minds.

### *Authenticity*

As mentioned previously, early Branded Entertainment from 1930 to the 1980s, was based on a trade-exchange relationship between the producers of the entertainment and the brands. The brands offered creators the opportunity to reduce costs by providing free props and also offered a level of authenticity in the production by adding realism to the entertainment (Hudson & Hudson, 2006).

In a study of college students by DeLorme et al. (1994), it was established that respondents who were frequent moviegoers enjoyed and appreciated the realism that brand placement brought to movies. The respondents disliked the use of generic products in this entertainment medium. Russell (2007) stated that the visual appearance of a brand in entertainment is justified because of the need to create realistic settings for movie, TV or stage. All respondents

described authenticity as an important consideration for marketers when creating and executing Branded Entertainment.

Russel (2007) states that visual brand placements are common in video games, where they often take the form of billboards and signage, which is intended to depict real-life; for example, a billboard on the side of a building advertising a motor sports game.

Schmoll (2004) confirms that advertisers and creative producers use Branded Entertainment to enhance the reality of an entertainment medium, whether it is movies, television, music videos or video games. Their research also discusses the practice in relation to the Social Construction of Reality theory (SCRT). This theory states that:

- [1] society is a human product;
- [2] society is an objective reality; and
- [3] human-beings are a social product.

SCRT argues that individuals are born into a world where others teach them what reality is. These 'others' can be parents, religious leaders, teachers, friends or even, researchers. Lang and Lang (1984) have posited television, because more than any other vehicle, televisions use of close-ups and live coverage of events gives viewers a sense of familiarity with distant or otherwise unknown people and places (Lang & Lang, 1984). As a demonstration of the power of television viewing to shape our perspective of reality, George Gerbner (Gerbner & Gross, 1976) did a study where a content analysis of violence portrayed on television during 1967 and 1968 was studied, and revealed that most Americans' conception of violence was based solely on what they saw on television.

Researchers Solomon and Englis (1994), extend the Social Construction of Reality to include product placements. They argue that product placements are a form of mass media images used as reflections of reality, which may be said to have their realities engineered by marketers (Solomon & Englis, 1994, p. 1). They also point out that while they are being entertained watching television of

playing a video game, they may be unaware that what appears to be a reflection of reality is really a manufactured construction reflecting a change of goods and services between an advertiser and a celebrity or creative producer.

Pine and Gilmore (2007) also reported on the importance of the coherence between the brand and the content of the experiential campaign, for example, an event. This coherence was termed authenticity. As suggested by Koch and Andersen (2009) the use of Branded Entertainment is a means of building or maintaining authenticity due to their unobtrusive and slightly experiential nature.

### *Target customer*

Previous literature describes the differing attitudes towards Branded Entertainment among specific demographics groups, specifically gender groups (Nelson & Mcleod, 2005). Consumers with a more fashionable and extroverted lifestyle typically have more positive attitudes toward product placement (Tsai, Liang & Liu, 2007). Sung and de Gregorio (2008) found that college students' attitudes toward brand placement are positive overall across media, but that brand placement in songs and video games are less acceptable than within films and television programs. Older consumers are more likely to dislike product placements and more likely to consider the practice as manipulation (Nelson & McLeod, 2005).

### *Integration*

Best described by Hudson and Hudson (2006), product placement has matured and become more sophisticated over time. Branded products are no longer just placed, but instead woven into entertainment content, making a stronger emotional connection with the consumer. This sentiment describes the convergence of advertising and entertainment. Advertising Age (2004) coined the phrase for Branded Entertainment as hybrid advertisement and uses the expression 'Madison and Vine', reflecting the physical intersection of the advertising industry hub in New York on Madison Avenue and the entertainment hub on Vine Street.

Karrh (1998) wrote that brands that are paired with media characters as an inseparable part of an involving story may assume a particularly strong role for the audience member. Furthermore, reasons for the growth of Branded Entertainment as a paid promotion practice is due to the desire on the part of advertisers to take advantage of the special characters of movies and popular television and other media for association with their brand. Integration is an important differentiation between product placement and Branded Entertainment (Russell, 2007).

### *Budget*

Production budgets in entertainment have shrunk and companies are looking at alternative funding (Hudson & Hudson, 2006). One of these methods is Branded Entertainment. Russell (2007) believes that Branded Entertainment is a reaction to escalating advertising costs.

### *Technology*

Russell (2007) states that technology, such as Personal Video Recorders (PVRs), TIVO and Replay TV, make it easy for consumers to fast-forward through advertising and or skip advertising altogether. This affects the impact of any effectiveness of traditional advertising. In fact, Russell (2007) refers to the "death of the traditional 30-second spot" (Russell, 2007, p. 3).

### *Relevance*

The link between the entertainment vehicle and the brand is said to be of high importance for Branded Entertainment. It is suggested that the greater the link, the stronger the impact of the Branded Entertainment (D'Astous & Seguin, 1999; Tiwsakul, et al., 2005).

According to Hudson and Hudson (2006) brand characteristics, also play a role, some consumer brands are more in line with placement than others. Business-to-Business brands for example do not often engage in placements and some argue that placements are only effective for established brands.

Other research suggests that atypical brands have better results from placements (Karrh, 1998) and ethically charged products, such as alcohol and cigarettes, are perceived by consumers to be less acceptable than others (Gupta & Gould, 1997).

### *Summary*

Placement characteristics, which is the link between the entertainment vehicle and the brand is also very important. It is said that the greater the link between the brand and the entertainment type, the stronger the impact (D'Astous & Seguin 1999; Tiwsakul, 2005). The relationship between the audience and the entertainment is also important as it builds credibility for the brand (De Lorme, et al., 1994).

Thus far, Hudson and Hudson (2006) conclude that Branded Entertainment is a solution to advertisement avoidance behaviour, a result of the proliferation of the media. Authenticity is defined as the quality of being authentic or of established authority for truth and correctness (Merriam-Webster, 2009). Pine and Gilmore (2007) state that in order for brands to create authenticity they must operate and communicate credibly, reliably, and be true to the perception of the brand. Branded Entertainment enables creators of entertainment to bring a sense of realism and authenticity to the audience (Shmoll, 2004).

The target consumer may have a positive attitude towards placements, shown in research by Nebenzahl and Secunda (1993), Kahrr (2003) and Hudson and Hudson (2006). For example, the ages 15 to 24 years had a high tolerance for Branded Entertainment as a communication method and noticed it more than other age groups (Hall, 2004) as it is more relevant to their lifestyles.

Budget and increased production costs were outlined (Karrh 1998; Russell, 2007) as one of the reasons for the increase in the use of placement today. Integration is defined as one of the most important factors in the success of various forms of Branded Entertainment (Karrh, 1998; Russell, 2007).

Branded Entertainment allows a longer shelf life for entertainment, which can be used as a competitive advantage (Nelson, 2002). Technology has affected the impact of any effectiveness of traditional advertising (Russell, 2007) making Branded Entertainment more compelling.

These insights from the literature led to the development of Proposition 1.

### **2.3.5 Proposition 1**

#### *Proposition 1*

The marketing of Branded Entertainment to Generation Y consumers depends on the following criteria:

- Media fragmentation;
- Competitive landscape;
- Authenticity;
- Target market;
- Integration
- Budget;
- Relevance; and
- New technology

This proposition is addressed in the qualitative phase of the research study.

## **2.4 Market segmentation**

Senguder (2003) defines segmentation as the process of dividing markets into segments of consumers with similar purchase behaviour. Companies can gain a competitive advantage through market segmentation by selecting one or more groups of consumers as a target for their marketing activity and by developing a unique marketing mix to reach these market segments. "A market segment consists of a large identifiable group within a market with similar wants,

purchasing power, geographical location, buying attitudes or buying habits” (Kotler, 2000, p. 256).

## **2.5 Generational theory**

Age is an important demographic characteristic for marketers as it plays a role in determining consumer behaviour, but age alone does not take into account events and defining moments in the general environment that are instrumental in shaping behaviour (Roberts & Manolis, 2002).

Howe and Strauss (2000) define a generation as a society-wide peer group born over a period and who collectively possess a common persona. A generation can think, feel, or do anything that a person might think, feel, or do. Generations typically extend for 20 to 25 years, the time for an individual to grow and reproduce (Howe & Strauss, 1991).

Generation theory can be used to describe formative experiences within a generation by considering what they have experienced and what they have witnessed during their lives and can be used to explain preferences and beliefs, which marketers use in developing messages to target varying groups of people (Paul, 2001). Every generation defines itself against and is influenced by the backdrop of contemporary trends and events such as the music, movies, politics and events of the period in which it grew up (Howe & Strauss, 2000; Kotler, 2000).

### **2.5.1 Generation Y**

Generation Y is believed to have unique characteristics, different from previous generations (Wolburg & Pokrywczynski, 2001). The youth market is important due to 1) spending power, 2) ability to set trends, 3) receptivity to new products and 4) potential for being lifetime customers (Wolburg & Pokrywczynski, 2001).

Gurau (2012) suggests the Generation Y segment of consumers is important as they have a high discretionary buying power relative to their incomes, are the

largest demographic group in many developed countries therefore a highly lucrative segment, companies can acquire young customers and focus on retaining them over time. Young consumers are also influential in decision making of adults and parents for purchases such as computers, Internet service providers, cars, clothes, cosmetics and holidays (Wolburg & Pokrywczynski, 2001).

“Industry analysts have observed that there is more at stake for advertisers and marketers, when communicating with Generation Y” (Wolburg & Pokrywczynski, 2001, p. 3910). Generation Y are savvy about marketing techniques and that they want to see business as being sincere (authentic) about their motives.

#### *Common characteristics of Generation Y cohorts*

This group of consumers has always lived in a digital world (Yarrow & O'Donnell, 2009). They are surrounded by digital products such as cell phones, the Internet, iPods, video and console gaming and television and are therefore the most digital savvy generation to date (Yarrow & O'Donnell, 2009).

Generation Y is a digitally connected society. Technology has enabled them to connect to like-minded groups irrespective of geography (Yarrow & O'Donnell, 2009). In fact, technology is the backbone of their lives, as it is entertaining, enables communication and social interaction and there is potential to use digital marketing to communicate with Generation Y (Pitta, 2012).

To communicate effectively with Generation Y, it is important to understand who they are and what motivates them. Generation Y has demonstrated higher aptitudes for processing information at high-speed, particularly visual data, when compared with preceding generations (Yarrow & O'Donnell, 2009). This skill may be attributed to a dominance of visually oriented media such as video games, television, the Internet, print, out of home and mobile phones.

Generation Y experience content fatigue more quickly than other generations, and may appear to have a shorter-attention span, although it has been



suggested that this is an outcome of their ability to process information more quickly (Yarrow & O'Donnell, 2009:9) allowing them to be efficient multi-taskers.

The speed and immediacy demanded by Generation Y in the digital space has also spilled over into their expectations of the physical realm. Generation Ys demand for innovative technology was highlighted previously, and the same trend is apparent in other sectors associated with Generation Y. This is driving faster turnover of their consumption of products, wardrobes, and entertainment, to mention a few examples, as they constantly strive for newness (Yarrow & O'Donnell, 2009).

Generation Y grew up in a more brand conscious and media saturated environment than previous generations. These many years of accumulated and intense marketing efforts targeted at them, have the consequence that they distrust marketers (Wolburg & Pokrywczynski, 2001). Even if the marketing campaign looks fun and youthful, it will still be perceived as opportunistic. Cui, Trent, Sullivan & Matiru, (2003) state that Generation Y is savvy about marketing techniques and that they want to see business as being sincere (authentic) about their motives.

Generation Y is known to be globally and environmentally conscious, open to chronic boredom, short attention spans, disruptive behaviour, and mistrust of the media. Generation Y places a high value on reality television fun and education; for a killer lifestyle, entertainment such as sports, fashion, music, movies, Internet, clubs, video games and extreme sports (Paul, 2001).

Generation Y is known to be optimistic and idealistic (Wolburg & Pokrywczynski, 2001). They are attracted to brands that offer clear value propositions, because they stand out from the mass of products available and their specific proposition is a representation of sorts to the individual that selects them (Yarrow & O'Donnell, 2009). Generation Y seeks authenticity from brands. Consumers conversing about brands attach authenticity and endorse brands within their networks (Yarrow and O'Donnell, 2009). Marketers should consider

using promotions that will generate social experiences for this segment that they can proliferate through social media (Yarrow & O'Donnell, 2009).

Generation Y borrows values that brands or organisations represent as a reflection of who they are. Brands with higher order values are perceived to have greater authenticity. Brands associated with causes that ring true to Generation Y, captivate this segment (Yarrow & O'Donnell, 2009). Furthermore, they recommend that marketers subtly integrate their products into their target's lives, for example, through product placement, sponsorships, competitions, user generated content and influencers. Brands need to work hard to attract Generation Y's attention and gain their trust; they want to be recognised and understood by marketers. This generation is starting to build relationships with brands and products that are likely to serve them in the future (Yarrow & O'Donnell, 2009).

The fact is that Generation Y is far ethnically and racially diverse than any previous generation, and seek information across several forms of media. Media Fragmentation today makes communication with this group challenging (Wolburg & Pokrywczynski, 2001).

Pitta (2012) concludes that to reach Generation Y, it is necessary to speak to them in their language, at a place wherever they are naturally, to use communication that they generally use, and to understand the complex combination of experience and preferences that define them.

## **2.6 Consumer attitudes on Branded Entertainment**

Schmoll et al. (2006) has shown that attitude does influence brand and/or product recognition and purchase intention (Gupta & Lord, 1998). Gupta & Gould (1997) has shown that attitudes towards Branded Entertainment are positive, but with reservations around the ethically charged products such as firearms, tobacco and alcohol (Schmoll, 2004). Uncles et al. (2003) suggest that there is evidence supporting the notion, attitude-drives-behaviour.

Brands use attitude to increase sales by enhancing beliefs about the brand and strengthening the emotional commitment of customers to their brand (Schmoll, 2004). Creators of Branded Entertainment want their products to be portrayed in entertainment mediums in the most positive light so that their brands will be associated with positive action, happiness or prestige in consumers' minds, ultimately leading to positive attitudes, which in turn lead to product purchases (Morton & Friedman 2002).

Gupta and Gould (1997) originally studied attitudes towards Branded Entertainment. The authors discovered that there was a direct relationship between frequency of movie watching and positive attitude toward placement.

Gupta and Gould (1997) focused on Branded Entertainment in movies and other later studies focused on TV programs (Nebenzahl & Secunda, 1993). This study considers the definition of Branded Entertainment across entertainment vehicles and media, including music videos, songs, books, games, DVD/video and the internet.

Schmoll (2004) studied the relationship between media consumption and attitude toward product placement. Media consumption extends beyond the frequency of movie or television to be all inclusive of all media vehicles. It has been previously noted that attitudes towards Branded Entertainment in movies reveal that subjects do not oppose the practice of Branded Entertainment (Siegel, 2004), and some even prefer it to traditional forms of advertising because it, by and large, does not interrupt their entertainment content (Karrh, 1998).

McKechnie and Zhou (2003) reviewed the findings of 14 research studies between 1993 and 2001 and concluded that overall respondents have a positive attitude towards product placement. It should be noted that 10 of the 14 studies cited by McKechnie and Zhou (2003) used only college students, or college-age students as respondents. Product placements are associated with increased purchase intent and sales, particularly when products appear in sitcoms (Russell & Stern, 2006). Attitudes toward branded entertainment are favourable

across media type. As we stated previously Generation Y places a high value on fun and entertainment (Paul, 2001). Previous studies have found that subjects do not oppose the practice of Branded Entertainment (Siegel, 2004), and some even prefer it to traditional forms of advertising because it does not interrupt their entertainment content (Karrh, 1998).

The insights from the literature lead us to the development of Proposition 2.

### **2.6.1 Proposition 2**

#### *Proposition 2*

Generation Y's attitude towards Branded Entertainment is that it is:

- Fun;
- Non-intrusive; and
- Better than other marketing communication mediums (advertising).

This proposition is addressed in the quantitative phase of the research study.

## **2.7 Views towards Branded Entertainment**

Previous studies have shown that attitudes towards Branded Entertainment are positive, but with reservations around the ethically charged products such as firearms, tobacco and alcohol (Gupta & Gould, 1997; McKechnie & Zouh, 2003). Previous literature describes the differing attitudes towards Branded Entertainment among specific demographic groups, specifically gender groups (Nelson & Mcleod, 2005).

Generation Y is an important segment globally due to their size, high earning potential and future growth (Gurau, 2012). However, Generation Y is savvy in terms of marketing (Wolburg & Pokrywczynski, 2001), disloyal (Lazarevic, 2012) and does not like traditional media marketing (Cui, et al., 2003).

The insights from the literature lead us to the development of Proposition 3.

### **2.7.1 Proposition 3**

#### *Proposition 3*

Generation Y's views on Branded Entertainment are positive.

This proposition is addressed in the quantitative phase of the research study.

This study focuses on discussing Branded Entertainment as a compelling marketing tool that could be used to communicate with Generation Y consumers.

## **2.8 The challenges of Branded Entertainment**

Williams et al. (2011) outlined some of the challenges around using Branded Entertainment including:

- [1] Brand clutter, the value of any one brand may be limited if too much product is placed, this can annoy viewers and be viewed as unacceptable commercialism;
- [2] Lack of control;
- [3] Entertainment vehicle may not be successful;
- [4] Possibility of negative character / event / vehicle association;
- [5] Difficulty in pricing product placements: and
- [6] Product placement ethics

Russell (2007) warns that there is often too little strategy behind the use of Branded Entertainment and that objectives for efforts are often stated in anecdotal terms. Russell (2007) explains that one reason for this is that the individual within an organisation responsible for Branded Entertainment is often not part of the brand or communications team, so their approaches are not synchronised.

## **2.9 Ethics and regulation of Branded Entertainment**

Chan (2012) states that the regulation of product placement has been a controversial issue in certain countries, such as the UK, where brand placement is banned from all children's programmes, news, current affairs, consumer and religious programming. Audiences in the US (an assertive and performance-oriented culture) generally do not think that it should be banned (Sung, Gregorio & Jung, 2009) but respondents from Singapore (a less assertive culture) agree that the government should regulate the use of branded products in movies (Karrh, et al., 2003). These studies indicate cultural differences with regard to regulating product placement.

## **2.10 Conclusion**

In conclusion, marketers use experiential marketing increasingly due to the changing macro-economy and factors such as technology and the Internet (Schmitt, 1999). He suggests that today, in essence, products have become about enhancing consumer experiences.

In the same vein, Branded Entertainment is used increasingly as a marketing tool to target consumers in the midst of the changing environmental factors such as technology, media fragmentation, the internet and social media, budget constraints and the demand for authenticity from consumers (Hudson & Hudson, 2006).

## **CHAPTER 3: RESEARCH METHODOLOGY**

### **3.1 Research design**

This study followed a mixed-methods approach. The mixed-methods approach involves the collection of both quantitative and qualitative data sequentially. This research study takes place in two stages, beginning with qualitative research and then ending with quantitative research.

In this study, the qualitative stage and quantitative stage is discussed separately. For each stage, the research instrument, data collection method and analysis, as well as validity and reliability is discussed.

It is argued that mixed-method research has a pragmatic approach and does not align itself with a single system or philosophy (Creswell, 2003). The qualitative research component could be said to follow an interpretivist paradigm, which assumes the existence of multiple realities that are socially constructed and is focused on understanding behaviour rather than predicting it. The quantitative component is more in line with a post-positivist world-view (Cresswell, 2003).

### **3.2 The qualitative research study**

As the academic literature and research on Branded Entertainment is still relatively new, exploratory research is required. As popular as the practice of Branded Entertainment is documented to be, insights on the current views on Branded Entertainment in South Africa still need to be determined.

The basic purpose of phenomenology is to reduce the experiences of persons with a phenomenon to a description of the universal essence, a “grasp of the very nature of the thing” (van Manen, 1990, p. 177 cited in Cresswell, 2003). During the qualitative research, views of a number of participants were

collected, and the common factors of how they experienced Branded Entertainment as a phenomenon were described.

Qualitative research methods are increasingly recognised in academia and by business practitioners to enable valid insights, the development of theory and usefulness for effective decision-making (Goulding, 2005). Qualitative data is most often analysed by identifying themes (Miles & Huberman, 1994).

This study collected data from persons who have experienced Branded Entertainment. The study intends to develop a composite description of the essence of the experience for all the individuals in terms of what they experienced and how they experienced it.

### ***3.2.1 Research design***

In line with recommendations from Cresswell (2003), research design should be selected by considering the approach with which the audiences will be most familiar. Marketing and Branded Entertainment practitioners were comfortable in one-on-one interviews conducted at their offices. Generation Y consumers felt most comfortable being interviewed in the form of a short questionnaire while at school or in a social environment, this was the approach for the quantitative phase of this study, which is described in detail in the next section.

Qualitative research allows for the development of theory, defined as a set of interrelated constructs formed into propositions or hypotheses, which specify the relationship among variables and help to explain phenomena (Cresswell, 2003). The in-depth interview is a technique that is used in exploratory research where respondents are probed on topics in a relaxed environment to maximise the richness of the discussion and data collection (Creswell, 1998).

The inductive approach, beginning with a qualitative study, was appealing as it allows the building of broad themes based on practitioners' views of Branded Entertainment allowed for the creation of possible models for the use of Branded Entertainment in the context of Generation Y consumers in South



Africa. This assisted in evaluating gaps in knowledge and identifying opportunities for future research.

### **3.2.2 Population and sample**

#### *Population*

The research population comprised marketing practitioners from advertising, brand and marketing agencies and representatives from brands that engage in Branded Entertainment.

#### *Sample and sampling method*

To develop the sample, names were obtained from a variety of sources including industry directories and references obtained through secondary research such as published articles, the media, and online searches.

**Table 2: Type of respondents targeted in this study**

<b>Description of respondent type</b>	<b>Target sample number</b>
Representatives from advertising agencies, Branded Entertainment, marketing and PR agencies	4 to 6
Representatives from Brands that engage in Branded Entertainment concepts, partnerships, experiences, projects	4 to 6
<i>Total</i>	<i>8 to 12</i>

### **3.2.3 The qualitative research instrument**

A semi-structured interview format for data collection was used, guided by a list of open-ended questions that focused on core themes. The advantage of the in-depth interview is that the focus can expand as new data comes to light (Leedy & Ormrod, 2001).

The broad themes derived from practitioner insights informed the design of the research instrument, which consisted of four broad open-ended questions. A copy of the questionnaire is presented in Appendix A, along with the introductory letter to the respondents.

#### ***3.2.4 Procedure for data collection***

After pre-testing and finalising the research instrument, interview dates and times were confirmed with respondents. Personal interviews were scheduled with the relevant respondent at their place of work or at a location and time most suitable for them. The respondent insights were recorded using a Dictaphone and then transcribed. Interviews were semi-structured with an average duration of 60 minutes.

#### ***3.2.5 Data analysis and interpretation***

Transcripts from the in-depth interviews with respondents were analysed and in line with the objectives of extending theories on the perspectives of Branded Entertainment in South Africa, deductive data analysis was completed.

Themes, perceptions and opinions of respondents were identified and coded, common themes were grouped to draw out the validity of the propositions. The data was applied to the theories discussed in the literature review.

#### ***3.2.6 Limitations of the study***

This qualitative phase of the study is focused on a sample of respondents in Gauteng, mainly Johannesburg. Johannesburg is considered the hub of business and marketing in South Africa, but it is possible that the perspectives of the respondents in Johannesburg cannot be extrapolated for other populations in other regions in South Africa.

### **3.2.7 Validity and reliability for qualitative research**

Research that is credible requires both validity and reliability and reliability.

#### *External validity*

Leedy and Ormrod (2010) state that external validity is the extent to which the results of a study apply to situations beyond the study. Respondents from various backgrounds and representatives from brands were selected from various industries in order to address any bias.

#### *Internal validity*

Internal validity is the extent to which the design of and the data produced by an instrument allows accurate conclusions about the cause and effect and other relationships between the data to be drawn (Leedy & Ormrod, 2010).

A pilot study was conducted with one Branded Entertainment practitioner in Johannesburg to ensure that all questions were clear and that the assumptions made in the study are true, i.e. that respondents will be familiar with Branded Entertainment. The questions were then revised and improved upon.

#### *Reliability*

The reliability of a measurement instrument is the extent to which the research instrument would provide consistent results (Leedy & Ormrod, 2010). The research instrument comprised standard questions, based on a review of previous studies completed in the USA and Europe.

## **3.3 Quantitative research study**

### **3.3.1 Research Design**

The survey method is appropriate for the study, as the research required a large sample size, which needed to be collected throughout the Gauteng province.

Quantitative research attempts to explain phenomena, by using numerical data then analyse using mathematical methods, such as statistics (Creswell, 1993).

**Table 3: Advantages and disadvantages of the survey method**

(Colorado State University, 2005)

Advantages	Disadvantages
Surveys are easily circulated, which makes it much easier to generate the required amount of responses	The questions asked in a survey have to be general enough to be appropriate for all respondents
Many questions can be asked in a survey questionnaire	Surveys are inflexible, as the questionnaire cannot be adapted throughout the study
A survey questionnaire is standardised and consistent in applying uniform definitions to respondents	Respondents may find it difficult to recall information needed to answer a question
Observer subjectivity is largely eliminated by means of surveys, increasing the reliability of the research concerned	Survey research is often criticised for not considering the context
Similar data from a range of different groups is easily collected and interpreted comparatively	

The research instrument was created after a review of similar studies by Gupta and Gould (1997) and Schmoll (2004). A five-point Likert scale was used to measure responses. This psychometric scale is widely used in research that employs questionnaires. It is the most common approach to scaling responses in survey research, such that the term is often used interchangeably with rating scale, or more accurately the Likert-type scale, even though the two are not synonymous (Wuensch, 2005).

An illustration of a five-point Likert scale can be seen in figure 8.

Strongly disagree	1	2	3	4	5	Strongly agree
-------------------	---	---	---	---	---	----------------

**Figure 8: An example of a five-point scale**

### **3.3.2 Population and sample**

#### *Population*

The population of possible respondents for research survey instruments included young persons in South Africa who are defined as Generation Y cohorts. Generation Y refers to individuals born between 1980 and 2000. In 2013, the current age of this group was between 13 and 33 years.

#### *Sample and sampling method*

Respondents for quantitative research were selected using non-probability convenience sampling. The selection included Generation Y respondents in Gauteng and included persons of all races and religions, males and females, individuals of all education levels, individuals who are employed (part-time and full-time) and students (part-time and full-time).

### **3.3.3 Procedure for data collection**

For the quantitative component of this study, the completion of questionnaires took place at various locations, where target respondents could typically be found, such as universities in Johannesburg (e.g. the University of the Witwatersrand and the University of Johannesburg) at residencies, cafeterias, shopping centres, offices and other meeting places. The research questionnaire was distributed to 348 individuals with the target age range, male and female respondents, who are based in Gauteng urban areas.

The online questionnaire was completed using Survey Monkey. The survey was designed using this application (<http://www.surveymonkey.com>) and distributed to respondents via email. Respondents were asked to forward the survey to their contacts. The link to the online survey was shared and spread on the online social media application, Facebook.

The target geographic location for respondents was the Gauteng province, but due to the online nature of the questionnaire, it is possible that some respondents were not based in Johannesburg. All respondents were in South Africa.

#### ***3.3.4 Data analysis and interpretation***

The survey used previously developed and widely used-scales, in terms of a five-point Likert scale. The results from the completed questionnaires, was analysed using factor analysis, which is a method that examines the influence of underlying constructs on the responses of a set of measured variables (De Coster, 1998).

As part of a factor analysis, Eigen values are produced. In 1960, Kaiser proposed that factors with Eigenvalues greater than one are factors that should be considered significant. In this study, factors with Eigen values greater than one were grouped with the corresponding variables.

Results of the factor analysis are presented in Chapter 5. In addition, further analysis of these factors was conducted using multiple regressions to determine additional insights into consumers' views and attitudes towards Branded Entertainment.

### **3.3.5 Limitations of the study**

There may be bias due to the Likert scale, which presented only five options to reflect the respondent's answer to any statement.

### **3.3.6 Validity and reliability for qualitative research**

#### *External validity*

Although convenient sampling could lead to some bias, the size of the final sample and the use of different institutions assisted in addressing potential bias. A number of neutral venues were chosen to conduct the study in an attempt to minimise environmental bias that may have been created if one shopping centre had been used. The sample size was relatively large with over 348 respondents participating in the survey.

#### *Internal validity*

A pilot study was conducted with a small sample of approximately eight randomly selected Generation Y consumers in Johannesburg, which ensured that the respondents understood the questions and that the assumptions made in the study were true i.e. that respondents were familiar with Branded Entertainment. The questions were revised, based on the outcomes of the pilot study.

#### *Reliability*

Reliability was achieved by using standard interview questions and a standard questionnaire to ensure consistency. Some of the survey questions were based on Karrh et al.'s (2003) and Schmoll et al.'s (2006) previous studies.

## CHAPTER 4: PRESENTATION AND DISCUSSION OF RESULTS – QUALITATIVE STUDY

This chapter summarises the key findings of the qualitative research results. Responses to the in-depth interviews are presented and discussed.

### 4.1 Demographic profile of respondents

This study reflects insights from interviews of 12 Branded Entertainment / marketing practitioners. Interviews took place with respondents in Johannesburg between June and December 2013. Ten of the respondents interviewed were male and two were female. This study assumed that gender is not of importance in the outcomes of this study.

Respondents reflected varying levels of seniority; all respondents had more than five years' experience and held senior positions within the marketing industry either with an agency or within an organisation, therefore representing a brand or brand portfolio.

**Table 4: Type of respondents who participated in this study**

Description of respondent type	Completed interviews
Representatives from advertising agencies, Branded Entertainment, marketing and PR agencies.	7
Representatives of brands that engage in Branded Entertainment concepts, partnerships, experiences, and projects.	5
<i>Total</i>	12

Table 4 shows that 12 respondents were interviewed. Of the seven representatives from Agencies interviewed, two respondents were from Brand Agencies, four from Marketing Agencies and one from an Advertising Agency.



Of the five respondents interviewed as representatives from Brands, two were from the financial services industry and the other three from the food and beverage, fashion and media industry respectively. A full transcript of one sample interview is attached in Appendix B.

## 4.2 Practitioner perceptions of Branded Entertainment

Table 5 summarises the responses from the qualitative questions posed during the in-depth face-to-face interviews over an average period of one hour.

The first question was designed to be deliberately broad in an attempt to facilitate discussion with the respondents and to provide a starting point for the interview. The purpose of the question was also to extract key information on the subject of Branded Entertainment. Table 5 is a representation of themes and respondents' views on defining Branded Entertainment.

**Table 5: Question 1 - What is your understanding of Branded Entertainment?**

Definitions of Branded Entertainment
<ul style="list-style-type: none"> <li>• Branded Entertainment is placing a brand / product in any entertainment medium. <ul style="list-style-type: none"> <li>○ Branded Entertainment is using an entertainment space for the selling of brands in, but not in an overt fashion.</li> <li>○ Branded Entertainment is anything that is entertaining that has a brand behind it.</li> <li>○ Branded Entertainment takes place within an entertainment space to incorporate a brand so that it feels a natural part of the story that is being told or of the entertainment. This can work in any entertainment space, across platforms.</li> <li>○ Branded Entertainment can be across mediums such as film, print and digital as long as it is well integrated so that fits the medium seamlessly.</li> </ul> </li> </ul>

### Definitions of Branded Entertainment

- Branded Entertainment allows brands to offer an experience to consumers.
  - Consumers want an experience, so entertainment becomes the vehicle for brands to give a more compelling engagement to a consumer.
  - Offering an experience to a consumer can be more important than the product and Branded Entertainment allows you to go beyond the product.
  - Brands cannot separate the product from the experience and what it means for a consumers lifestyle. Brands are not competing for a slice of wallet anymore, it is for a slice of lifestyle. Brands need to mirror the consumer lifestyle and embed the product into that lifestyle.
  - Experiential Marketing is when what the product/ brand is activated. The activation, event or entertainment help to tell the product story.
- Branded Entertainment can be linked to increased brand equity and customer loyalty.
  - Brand loyalty is linked to Branded Entertainment because it exists to create an emotive sentiment towards the brand and a positive perception of the brand, which then engenders a relationship with the brand.
  - Branded Entertainment should be used for the brand's committed users and for those that love the brand because it will reinforce brand equity and create customer loyalty. For uncommitted users Branded Entertainment will peak their interest and draw them into the brand in a way that is quite unique, in order for them to start engaging and interacting with the brand thereby increasing the brand's base of consumers.
- Examples of Experiential Marketing, Branded Entertainment and Product Placement.
  - Our brand has done Product Placement in music videos. The success is first it made people more aware of the brand and second gave it credibility among the very niche hip-hop consumer. This has not really translated into sales yet, they need more convincing, but trial is there. They are trialling products, are not converted yet, but we have started to build equity, they are definitely aware of our brand and have positive sentiments towards it.
  - Coca Cola is featured on every episode of *M-net Idols*. Branded Coca Cola glasses are placed in front of the judges who sip from them during the entire show. This is an example of Product Placement.
  - A brand must first decide what messages they want to communicate to their target market. They make sure that they keep their finger on the pulse to identify themes and topics of relevance (possibly using digital media). Then, once they have consensus they craft a brand experience around that topical trend, for example a music star. This is Branded Entertainment.

In general, all respondents appeared to be familiar with the term Branded Entertainment. All respondents were able to offer definitions of Branded Entertainment. Several noted the distinction between Branded Entertainment and Product Placement.

The marketing practitioners interviewed, agreed that Branded Entertainment takes place across entertainment media. Practitioners offered examples of Branded Entertainment across events, music videos, songs, magazines, books, television, film and theatre productions

Several respondents described Branded Entertainment as a tool to offer an experience to consumers. Practitioners mentioned Branded Entertainment as “bringing the brand to the consumer level” and said “Branded Entertainment allows you to go beyond the product.” Insights from these practitioners illustrate the link between experiential marketing and Branded Entertainment.

A key insight from the interviews is the sense from marketing practitioners that Branded Entertainment is important now because of the lifestyle of the consumer. A respondent was quoted as saying “Branded Entertainment is how the consumer wants to engage with the brand” and another said, “Brands need to fit their brands into the lives of the consumer”. One of the benefits of Branded Entertainment was described as increased customer awareness, increased brand equity and increased customer loyalty.

The marketing practitioners interviewed were able to demonstrate the understanding of the concept of Branded Entertainment with concrete industry examples of product placement and Branded Entertainment.

#### ***4.2.1 Discussion of practitioner perceptions of Branded Entertainment***

In the literature review, several different definitions of Branded Entertainment were presented. Several early definitions of the practice, focused on the placement of a message aimed at influencing audiences in limited

entertainment vehicles, mainly films and television (Balasubramanian, 1994; d'Astous & Chartier, 2000; Gupta & Gould, 1997). Later definitions describe Branded Entertainment taking place across a broad range of entertainment mediums (Hudson & Hudson, 2006; Karrh, 1998; Russell & Belch, 2005) including television shows, movies, radio shows, songs, music videos, plays and even novels. All respondents in this study, described Branded Entertainment taking place across entertainment mediums including television shows, movies, radio shows, songs, music videos, plays, books and events.

A description of Branded Entertainment within the framework of Experiential Marketing was proposed. Schmitt's (1999) frameworks for traditional marketing and experiential marketing were presented and compared. Koch and Andersen (2009) stated that traditional media is not effective and that consumers demand brand experiences. Several respondents included the terms 'customer experience', 'consumer lifestyle' and 'experiential marketing; in their descriptions of their understanding of Branded Entertainment, which is in-line with the findings of the literature review and previous research from Koch and Andersen (2009) and Schmitt (1999).

Research by Nebenzahl and Secunda (1993) show that Branded Entertainment can result in an increase in brand loyalty as it validated the purchase decision of the consumer. Respondents described examples, based on their experience, to emphasise the link between Branded Entertainment and Brand Equity.

Hudson and Hudson (2006) indicated that the link between product placement and Branded Entertainment is a matter of integration (Figure 7). The practitioners interviewed during this study were able to offer several distinct examples of Product Placement and Branded Entertainment respectively. The common reason given for the distinction was the level of integration. One respondent noted that, "Product Placement was a less engaged part of Branded Entertainment" and another suggested that "in the case of Product Placement, the brand is placed in the environment and in the case of Branded Entertainment, the brand is actually part of the conversation". This finding is

expected as it relates directly to previous research on the differences between Product Placement and Branded Entertainment.

The responses from practitioners therefore reflect the theory, relating to how Branded Entertainment is defined including:

- [1] It is linked to experiential marketing and customer experiences;
- [2] It takes place across entertainment and media vehicles;
- [3] It is related to brand equity and brand loyalty; and
- [4] It is distinct from Product Placement.

### **4.3 Challenges of Branded Entertainment**

Question 1 also addressed the challenges of Branded Entertainment.

These themes and respondents' views are summarised in Table 6.

**Table 6: The Challenges of Branded Entertainment**

Themes
<ul style="list-style-type: none"> <li>• Lack of agreed metrics to measure return, impact and effectiveness. <ul style="list-style-type: none"> <li>○ Branded Entertainment cannot always be measured in sales. A good measure can be to look at conversion down your funnel, converting consumer sentiment could be a key factor. This has to do with our brand attributes, what people know about our brand, based on what we are trying to communicate, and does our message resonate with them. We I also look at reach and awareness and other basic measures.</li> <li>○ Measurement of Branded Entertainment needs to address the questions: Are people you have targeted aware of the brand and key messages? Is there increased engagement?</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Branded Entertainment cannot be done in isolation. <ul style="list-style-type: none"> <li>○ There have to be other elements that work together as an integrated campaign. You have to understand the nuances of your consumer. You can very easily get it wrong or it can seem overly branded.</li> <li>○ Branded Entertainment should not be viewed as a saving grace that can change your whole brand. It should be considered as part of your marketing mix and can be used to remain relevant to your consumer.</li> <li>○ Brands that have thought about how to take the concept of Branded Entertainment to the next level use digital media or relationship marketing models to leverage campaigns and get genuine buy-in from Generation Y markets.</li> </ul> </li> </ul>

The respondents made it clear that various challenges exist in the practice of Branded Entertainment. One challenge that was described, was the lack of agreed metrics to measure return on investment and effectiveness of Branded Entertainment initiatives. It was suggested that measures for Branded Entertainment may be different from other marketing practices.

Another challenge is that Branded Entertainment cannot be done in isolation. In an almost cautionary tone, some of the respondents advised that Branded Entertainment has to work as part of an integrated, well thought out campaign in order to resonate with consumers, not be superficial and have longevity with audiences.

#### ***4.3.1 Discussion on results for challenges of Branded Entertainment***

The lack of metrics to measure the effectiveness of Product Placement has been documented in the literature. A study by Strazdina (2009, p. 4) stated that "The biggest pitfall slowing down the growth of experiential campaigns proved to be the lack of appropriate measurement systems".

In a study of Branded Entertainment agents in 1994, film studio representatives and marketing executives stated that there was "a high degree of reliance on subjective criteria for decision making on Branded Entertainment and does not use the same yardsticks as other advertising and promotional activities" (Karrh, 1995, p. 187). Based on their experiences, respondents who cited lack of Branded Entertainment metrics as one of the challenges for Branded Entertainment was in line with previous academic research.

Sauer (2005) believes that there needs to a promotional campaign around the Branded Entertainment in order to achieve a call to action. If there is no call to action, then the placement may only achieve objectives around brand awareness (Vranica, 2004).

Respondents in this study suggested that Branded Entertainment is most impactful, when it is part of an integrated marketing campaign. Respondents agreed that Branded Entertainment could be leveraged to create better impact if it was combined with digital media tools, such as social media, in order to amplify the impact and reach to consumers.

#### **4.4 Results pertaining to Proposition 1**

Question 2 was intended to address Proposition 1, and asked practitioners about the factors affecting Branded Entertainment.

*Proposition 1*

The marketing of Branded Entertainment to Generation Y consumers depends on the following criteria:

- Media fragmentation;
- Competitive landscape
- Authenticity;
- Target market;
- Budget;
- Integration;
- Relevance; and
- New technology.

Question 2 was intended to narrow the scope of the discussion significantly and to focus on the key factors that influence the use of Branded Entertainment today. The themes and respondents' views are given in Table 7:

**Table 7: The successful use of Branded Entertainment today depends on the following factors**

Factors for Success
<ul style="list-style-type: none"><li>• Branded Entertainment has become popular due to media fragmentation.<ul style="list-style-type: none"><li>○ Young people process almost half a million advertisement messages per day. Brands are desperate to find a way to cut through the clutter.</li><li>○ If everyone goes to the same platform to communicate with consumers, it becomes crowded. Marketers are now trying to find other ways of reaching these consumers. It is not that Branded Entertainment is better, it is just uncluttered, for now.</li><li>○ Our minds are cluttered with commercial and other messages. Marketers are saying - how can we engage consumers in a new way? Branded Entertainment is the answer.</li></ul></li></ul>



## Factors for Success

- Branded Entertainment has become popular due to various competitive forces: global, product category and media platform competition.
  - You are competing for one consumers social basket - what they can they afford in total. Your marketing messages are competing with all the information that is out there.
  - Competition is wider and greater than ever before. Your competition is no longer that narrowly defined, you compete across traditional product categories.
  - The entertainment experience you create can compete with your brand when you create an entertainment experience of your target audiences' favourite music artist, the audience is excited and participates in the experience but do they do so for the brand or for the artist brand? It could happen that the artist brand is more memorable after the experience, not the brand that hosted or paid for the experience.
  - One of the challenges to creating Branded Entertainment is in itself that you are entering the entertainment space. You are creating bespoke content but now you are also competing against all other entertainment.
  - We have more forms of our own entertainment than we have ever had before. Why should consumers watch your advertisement, you have to entertain the consumer.
  - When you create a great branded experience or cultivate an entertainment platform for your brand and consumers, it also means that anyone can do it after you and copy your innovation.
- Branded Entertainment is prevalent now due to media convergence.
  - At the turn of the millennium, everyone was talking about convergence; marketers were talking to a convergent consumer, that's actually what it was about. You can talk to the consumer across mediums, mobile, TV or radio. It is increasingly difficult to reach specific consumers and everyone seems to be competing with you for Share of Wallet.
  - Traditional advertising is not enough to convince today's evolved consumers that your product is good enough. You must do more in order to be relevant.
- The Branded Entertainment must be relevant to the target audience.
  - The type of Branded Entertainment must be a natural fit for your audience. It must be relevant to the target audience.
  - As the world becomes younger, especially in a country like Africa, it becomes more important for brands to differentiate themselves. In the youth market, music and entertainment are fundamental pillars for communication for them. It is something you cannot ignore.
  - Engagement with customers is important and you have to understand your audience, where they are, what they are doing, what they are thinking, so that you can create a piece of communication that speaks to them in their environment. Branded Entertainment must be relevant. Relevance is everything.

Factors for Success
<ul style="list-style-type: none"> <li>• The Branded Entertainment must be relevant to the brand. <ul style="list-style-type: none"> <li>○ The link between the brand and the type of entertainment or experience is important, it can make or break the whole campaign.</li> <li>○ If there is a lack of authenticity, a mismatch or a lack of synchronisation between what they believe to be the personality of the brand and the Branded Entertainment, consumers will reject it outright.</li> <li>○ There must be congruency between the product and the entertainment. The brand should not interrupt the programme it should complement it.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Authenticity and realism are important factors for the success of Branded Entertainment. <ul style="list-style-type: none"> <li>○ More than other groups, Generation Y filters very well and if you are authentic so they will just block you out and not even engage.</li> <li>○ Generation Y is a fickle consumer and brand loyalty is difficult to get from them, but if you do certain things right, it is possible. If it is an authentic engagement it will amplify relevance to them.</li> <li>○ Branded Entertainment must be genuine and cannot be too contrived or overt and should be seen to be a natural placement of your brand.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Understanding what today's target consumer wants is a key success factor for Branded Entertainment. <ul style="list-style-type: none"> <li>○ The most important reason for the rise in Branded Entertainment today is the new generation of consumers, Millennials and Generation Y. What you find now is that this consumer has a different mind-set and a new set of benchmarks. Branded Entertainment has become about how consumers want to be communicated with and is how brands should deal with them.</li> <li>○ This generation is also known as Digital Natives, and they operate in a different way. They are not passive consumers. They want to their values reflected in the brand that they are loyal to. This means brands must play a new marketing game and have a new strategy.</li> <li>○ Generation Ys are sceptics and curators. They are selective about what entertainment and content they consume because they also curate on behalf of the social networks they plug into.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Branded Entertainment adds value to modern consumers. <ul style="list-style-type: none"> <li>○ Entertainment is any activity that is designed to provide a degree of satisfaction to consumers by means of the fact that they engage with it or participate in it. It is an activity that derives value for consumers. Branded Entertainment is when you introduce products or services into that equation or communicate when people are naturally engaging in activities that are of leisure or entertainment value to them. You communicate brand messages to them as part of the entertainment in order to generate sales, build awareness, build affinity or in general to appeal to that particular customer or segment.</li> <li>• Branded Entertainment is about creating concepts that 1) entertains your consumer 2) is relevant to that consumer 3) occurs where you weave the narrative of your brand into that type of entertainment.</li> </ul> </li> </ul>

## Factors for Success

- Branded Entertainment is important now because of the lifestyle of the changing consumer.
  - Branded Entertainment is the mirror of how consumers want to engage with the brand.
  - Brands are feeling the pressure to create a world for consumers outside their service offering.
  - Brands are realising that they need to fit their brands into the lives of the consumer they are targeting and see what resonates with them to justify why their brand should be part of their lives
  - Brands need to feed into the consumers' lifestyles, not the other way around. Before you could box people according to demographics, now you have to go further and think about psychographic and lifestyle stage, what type of consumer they are, how they think, what their perspective on life is and what their perspective is on the goods you offer.
- Branded Entertainment exists because we live in a brand world.
  - Consumers are marketing savvy and they expect Branded Entertainment.
  - It is important to consider that there are some brands that have become generic in their categories, and become part of our everyday lexicon and conversation, therefore have relevance as symbols. For example, when a character in entertainment medium mentions wanting a *coke*, it may not be a contrived placement for a brand but more for a symbol of a thirst quencher. It is authentic in the context.
  - Consumers may demand replication of a real environment where it is clear that if you are simulating a real environment. If you are, you must simulate everything about it, such as in a movie or reality TV, you cannot get away with not having real brands involved. The consumer already has a real life example to compare you to.
  - All brands are feeling the need to create a world outside their service offering, where they are able to fit their brands into the lives of the consumer they are targeting and see what else resonates with them to justify why their brand should be part of their lives. You have to feed into their lifestyle, it is expected.
- Successful Branded Entertainment is well integrated into the entertainment vehicle
  - Branded Entertainment must be well integrated into the entertainment. Interrupting the entertainment defeats the purpose.
  - Branded Entertainment is when the product is a part of the story. Product Placement is when the product is in vicinity of the story.
  - Branded Entertainment should not be overt. The brand should be in its natural environment. Successful Branded Entertainment initiatives are when the brand fits into the world of the entertainment space. No one should ever ask, "What is that brand doing there?"

Factors for Success
<ul style="list-style-type: none"> <li>• There is distinction between sponsorship, Product Placement and Branded Entertainment. <ul style="list-style-type: none"> <li>○ In Product Placement, the brand is placed in the environment and it is not part of the conversation. In Branded Entertainment the brand is fused into the storyline or the character. There is a fine line between the two. One is incidental, the other is written into the story.</li> <li>○ Marketers can weave a product into a script of story, movie, music video and make it feel natural. It cannot be forced because it must fit into that environment. Products can be placed in a scene or medium but for Branded Entertainment it has to be part of the entertainment and story.</li> <li>○ Branded Entertainment takes Product Placement to the next level. Sponsorship is clearly just a brand identifying vehicle to make people aware of a product. For the most part sponsorship is a vehicle for brand awareness and to communicate a message. Sometimes the sponsorship is weaved into an event but that type of creativity is limited.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Branded Entertainment is important now because of technology, digitisation and social media. <ul style="list-style-type: none"> <li>○ The internet influenced the consumer's access to information. They are able to compare facts, products and features so easily. That's why brands need to offer more.</li> <li>○ The digitising of media channels has given rise to Branded Entertainment As a consumer, you are bombarded with marketing messages to the point of saturation, in order to break through the clutter you must be memorable and you have to have a good story or you have to be funny.</li> <li>○ Today, before you have said what you wanted to say as a brand, others have already engaged on the matter, talked about you and even reviewed it, using social media platforms.</li> <li>○ Social media has a large role to play in successful Branded Entertainment. It has affected the sharing of knowledge, information and opinions among consumers. As the consumer becomes information savvy, they have a lot more access to understanding marketing and identifying any marketing practices that may be used to manipulate them.</li> <li>○ Brands use digital media to leverage Branded Entertainment and increase the reach of the campaign.</li> </ul> </li> </ul>

Respondents identified several common themes important in the use of Branded Entertainment today. Respondents generally agreed that Branded Entertainment has become popular today as a result of media fragmentation, which they describe as 'media clutter' and ad-avoidance behaviour exhibited by consumers. Global, product category and media platform competition was also presented by the practitioners as a key driver of Branded Entertainment.

The key challenges listed relate to competitive threats such as the brand competing for its own presence within the entertainment experience or platform that it creates. For example, a brand collaborates with a bigger brand such as a popular international music artist. There is a possibility that the brand be overshadowed by the entertainment it creates. The other challenge relates to copycats, who duplicate original Branded Entertainment concepts already created by a pioneer brand.

Respondents suggest two forms of interpretation of the theme relevance. The first is that the Branded Entertainment must be relevant to the target market of the brand. This is applied to the medium or type of Branded Entertainment, which must be selected to resonate with the target consumer. The second form is that the Branded Entertainment must be relevant to the brand; the entertainment mechanism must be congruent with the brand identity and values.

A common theme described by all respondents is that Branded Entertainment must be authentic and genuine in order to be relevant and engaging to consumers. In order to achieve authenticity and relevance to the consumer, the brand must first understand the consumer behaviour. This includes their values and lifestyles, which are two additional themes identified.

One of the most important findings is that according to marketing practitioners, Branded Entertainment adds real value to consumers, it entertains them and communicates with them in a way that they desire to engage with brands. Respondents believe that successful Branded Entertainment depends on how well the brand is integrated into the entertainment medium. According to practitioners, the brand must be integrated into the entertainment so that it is seamless, natural and not overt.

Technology, digitisation and social media were also identified as a key theme in propelling the use of Branded Entertainment, as it affects the way that consumers curate, consume and share brand / product information.

#### 4.4.1 Discussion relating to Proposition 1

Table 8 summarises the findings from the qualitative interviews and indicates new findings, based on insights from the respondents. The results of the propositions tested will be discussed by commenting upon the responses to each question as they relate to the proposition.

**Table 8: Comparisons**

Proposition Criteria	Theme	Conclusion
Media fragmentation	Media fragmentation	Found
Competitive landscape	Global, product category and media platform competition	Found
-	Media convergence	New Finding
Authenticity	Authenticity and realism	Found
Target Market	New generation of consumers	Found
-	Lifestyle	New finding
-	Adds value	New finding
Integration	Integration	Found
-	Brand world	New finding
Budget	-	Not found
Technology	Technology, digitisation and Social media	Found
Relevance	Relevance to the audience and Relevance to the brand	Found

#### *Media fragmentation*

Hudson and Hudson (2006) state that the world's largest advertisers are questioning the traditional advertising model and site Branded Entertainment as a solution to media fragmentation and ad-avoidance behaviour from consumers

(Russel, 2007). Russel (2007) argues that new entertainment mediums, offer new ways of reaching consumers. Branded Entertainment in video gaming is an example of one of these opportunities (Nelson, 2002).

The responses of practitioners in this study, who all describe media fragmentation and ad-avoidance behaviour as one of the reasons for new forms of marketing, such as Branded Entertainment, are therefore in line with the available literature on Branded Entertainment. This finding is as expected, based on the literature. Branded Entertainment has become popular due to the global product category, and media platform competition.

### *Competitive landscape*

According to Koch and Andersen (2009), marketers are facing increasing challenges in their attempts to communicate effectively with potential customers. Globalisation has increased competition and allowed for the reduction in the time needed for competitors to copy new products and features.

Karrh (1998) suggests that Branded Entertainment offers brands competitive advantages such as global reach, for example in film, due to the international distribution of a blockbuster feature film. It also offers a 'shelf-life' of a few decades via syndication and the DVD rental market.

Respondents in this study describe competitive forces as the new global marketplace, competition across product categories, competition between brands fighting for the spotlight on existing media channels and competition for share of wallet. These are presented as some of the driving forces for developing new forms of communicating and marketing to consumers.

Karrh (1998) suggested that the lack of control of Branded Entertainment could have a negative impact on how the brand is portrayed. For example, the entertainment could compete with the brand presence or vice versa if the brand is not ultimately responsible for overseeing the roll-out. The perspectives of the respondents in this study, are therefore in line with the literature review in Chapter 2.

### *Authenticity is an important factor for the success of Branded Entertainment*

Authenticity has been highlighted in several previous studies as not only an important part of successful Branded Entertainment but sometimes also the reason for embarking on Branded Entertainment; for example, to add realism to entertainment content (DeLorme, et al., 1994; Russell, 2007; Schmoll, 2004).

Researchers, Solomon and Englis (1994) applied the social construction of reality to Branded Entertainment. They argue that product placements are a form of reality engineering carefully constructed by advertisers. “Audiences who treat mass media images as reflections of reality may be said to have their realities engineered by marketers” (Solomon & Englis, 1994, p. 1).

All respondents described authenticity as an important consideration for marketers when creating and executing Branded Entertainment. It was specifically highlighted to be an important value in marketing to Generation Y consumers. Cui et al. (2003) state that Generation Y is savvy about marketing techniques and that they want to see business as being sincere (authentic) about their motives. This finding is therefore in line with the academic research on Branded Entertainment and established Generation Y descriptions thus far.

This factor was addressed from the point of view of Generation Y consumers in the quantitative research study. These results are presented in Chapter 5.

### *Target Market*

Previous literature describes the differing attitudes towards Branded Entertainment among specific demographic groups, specifically gender groups (Nelson & Mcleod, 2005).

Respondents in this study suggest that marketing needs to be relevant to the lifestyle, desires and values of the target consumer. In the case of the large cohort of young consumers today, Generation Y, Branded Entertainment seems to be the preferred method of communication for this group.



Consumers with a more fashionable and extroverted lifestyle typically have more positive attitudes toward product placement (Tsai, Liang & Liu, 2007). Older consumers are more likely to dislike product placements and more likely to consider the practice as manipulation (Nelson & McLeod, 2005). This theme is therefore in line with the literature review.

### *Successful Branded Entertainment is well integrated into the entertainment vehicle*

Integration is an important differentiation between product placement and Branded Entertainment that Russell (2007) terms advertainment. He refers to product integration as a more extensive placement of the brand, which plays a role in the entertainment. For example, in a film where the brand is a part of the plot in the film. Often, as a result of this type of placement there are more opportunities to leverage the cross-promotional campaigns, such as publicity.

Hudson and Hudson (2006) present the differences between pure product placement and Branded Entertainment on the continuum in Figure 6, presented in Chapter 2. This figure presents the level of brand integration with the entertainment to distinguish between pure product placement (no brand integration) and Branded Entertainment (where the brand is interwoven into the entertainment).

Karrh (1998) wrote that brands that are paired with media characters as an inseparable part of an involving story, may assume a particularly strong role for the audience member. Respondents describe the integration of the brand into Branded Entertainment as an important consideration and some go as far as to describe integration as part of the very definition of Branded Entertainment. As the academic research by Hudson and Hudson (2006) also suggest. This finding is therefore expected.

### *Budget*

Production budgets in entertainment have shrunk and companies are looking at alternative funding (Hudson & Hudson, 2006), one of these methods is Branded

Entertainment. Russell (2007) stated that Branded Entertainment is a reaction to escalating advertising costs.

None of the respondents specifically mentioned the topic of budget being a factor in the use or increased use of Branded Entertainment. This outcome could be a result of none of the marketing practitioners dealing directly with budgets or that none of the brands involved were exposed to limited budgets and therefore restricted allocations for marketing spends and Branded Entertainment specifically.

*Branded Entertainment is important now because of technology, digitisation and social media.*

Russell (2007) states that technology, such as Personal Video Recorders (PVRs) and TIVO and Replay TV, make it easy for consumers to fast-forward through advertising and/or skip advertising altogether. He bases his views on a study by Forrester research, which showed that 60 percent of the time, users in the US, watched programmes that were pre-recorded or delayed, which resulted in 92 percent of advertising being skipped (Russell, 2007). This affects the impact of any effectiveness of traditional advertising. In fact, Russell (2007) refers to the "death of the traditional 30-second spot" (Russell, 2007, pp 3).

Respondents suggest that technology, the digitisation of the consumer and the prevalence of social media usage are an important driver for Branded Entertainment. This finding correlates with previous literature.

*Relevance to the target audience*

Respondents in this study suggested two forms of the theme relevance. The first is relevance to the target audience. This theme has not been found to be specifically covered in the literature on Branded Entertainment, and could be an area for future research opportunities.

### *Relevance to the brand*

The link between the entertainment vehicle and the brand is very important. It is suggested that the greater the link, the stronger the impact of the Branded Entertainment (D'astous & Seguin, 1999; Tiwsakul, et al., 2005). Hudson and Hudson (2006) also suggest that some consumer brands lend themselves more to placement than others. Business-to-Business brands, for example, do not show an interest in placements, and some argue that placements are only effective for established businesses. Other research suggests that atypical brands have better results from placements (Karrh, 1998) and ethically charged products, such as alcohol and cigarettes, are perceived by consumers to be less acceptable than others (Gupta & Gould, 1997).

In 2005, Russell and Belch (2005) found the integrity of the programme and the relatedness between brand, programme and audience to be the most important strategic product placement factors. A later study by Lees, Scott and Wong (2008) confirmed that the brand that appears has a natural congruency (relatedness) to the program content was an important consideration for practitioners in executing Branded Entertainment initiatives. According to De Lorme et al. (1994), the relationship between the audience and the entertainment is also important as it builds credibility for the brand. The views of respondents are therefore in line with previous research.

#### **4.4.2 New findings**

The propositions for this study were based on the literature review. The literature review was focused on academic work related to experiential marketing and Branded Entertainment. A subsequent, more intensive and wider review of the literature provided evidence for new findings, as discussed below.

### *Media Convergence*

Respondents described the convergence of media as a reason for the heightened use of Branded Entertainment. No evidence to support this finding

was discovered during the review of literature on Branded Entertainment. This is an opportunity for future research.

### *Lifestyle*

Marketing practitioners in this study described the importance of new marketing that fits into consumers' lifestyle. A few have noted demonstrations of how Branded Entertainment fits into certain consumers' lifestyles, such as Generation Y where music and entertainment is a lifestyle imperative, and Branded Entertainment can be created around this.

According to Schmitt (1999, p. 22) consumers want brands "that dazzle their senses, touch their hearts, stimulate their minds and that they can relate to and incorporate into their lifestyle". Consumers with a more fashionable and extroverted lifestyles generally have a more positive attitude toward product placement (Tsai, Liang, & Liu, 2007).

The responses from practitioners in this study are therefore linked to theory on experiential marketing and Branded Entertainment. There is an opportunity to explore this theme more closely in future research.

### *Adds value*

Insights from the marketing practitioners interviewed during this study show that a benefit of Branded Entertainment is that it adds direct value to the consumer. Entertainment, by definition, is something that the consumer chooses to spend leisure time on in order to be entertained. Branded Entertainment, especially if it is uninterrupted, therefore adds value to the consumer. It is said that Generation Y places a high value on fun lifestyle and entertainment (Paul, 2001). There is limited evidence in the literature to support this finding. Future researchers may consider this topic to fill this gap in academic theory.

### *Brand world*

Schmitt (1999) suggested that experiential marketing is increasing due to the ubiquity of communications and entertainment in an environment that

everything is branded, everything becomes a form of communication and everything is entertainment. Russell (2007) described the increase in the growth of the entertainment industry and how this influences what brands need to deliver on to meet consumers' expectations. In fact, the latest forms of Branded Entertainment today, such as *The Advergaming model*, where video game developers create short, simple, online games that revolve around the brand and create an 'entertaining environment' for the consumer.

Karrh (1998) states that the reasons for the growth of Branded Entertainment, as a paid promotion practice, is due to the desire on the part of advertisers to take advantage of the special characters of movies and popular television and other media. The increase in paid use of brands within films (entertainment) seems to parallel a generally increasing commercial content in American mass media. Brands are used increasingly in everyday speech (Karrh, 1998). It makes sense to see an increase in placement in popular novels, songs, magazines, plays and music videos. Reality Engineering refers to the successful efforts of marketers to shape the social images through popular cultural vehicles (Solomon & Englis, 1994).

The result is that consumers today are more likely to accept brand images into areas of public life that were formally commercial-free and end up forming a natural part of everyday life. To today's consumers, brands have become more acceptable everywhere (Karrh, 1998). Snoddy (2006) conjectures that peoples' lives are so saturated with brands that the inclusion of identifiable products adds to the sense of reality and he goes so far as to say even, validates the individual's reality.

Respondents noted that the modern consumer, specifically Generation Y, is marketing savvy and has come to expect Branded Entertainment. Findings from this study also suggest that some entertainment forms, such as film that, simulates reality, consumers will demand realism and symbols of reality, which will include real brands being featured – not fictional ones.

As stated by Karrh (1998), the inclusion of brands in entertainment is part of the trend of consumption symbols permeating the popular culture. More than a decade ago, Schmitt (1999) suggested that experiential marketing is increasing due to our environment where everything is branded; everything becomes a form of communication and entertainment. Russell (2007) described the increase in the growth of the entertainment industry and how this impacts on what brands need to deliver on to meet consumers' expectations.

Within the wider academic research, there is definite support for this finding of 'Brand World'. This would be a compelling topic for future more detailed research on environment conditions affecting Branded Entertainment.

## 4.5 Conclusion of the results

Proposition 1 stated that:

The marketing of Branded Entertainment to Generation Y consumers depends on the following criteria:

- Media fragmentation;
- Competitive landscape;
- Authenticity;
- Target market;
- Integration;
- Budget;
- Relevance; and
- New technology

Based on the analysis results from respondents and the comparisons table presented, Proposition 1 is **partially accepted**, as most of the criteria were identified except for Budget, but additional criteria were also identified, including media convergence, lifestyle, adds value and brand world.

## **CHAPTER 5: PRESENTATION AND DISCUSSION OF RESULTS – QUANTITATIVE STUDY**

This chapter summarises the key findings of the quantitative research. Research results are presented and discussed in this chapter alongside the statistical analysis. This chapter begins with a discussion of the questionnaires that were distributed among Generation Y individuals. The copy of the questionnaire is presented in Appendix C. This chapter also includes the results of a factor analysis, which relates to Proposition 2 and a regression analysis relating to Proposition 3.

### **5.1 Demographic profile of respondents**

Quantitative data was collected from a population of young persons in Gauteng, South Africa between the ages of 16 and 33 years. These respondents were all defined as Generation Y, in other words born between 1981 and 2001 (Tay, 2001; William, 2008). Technically young persons between the ages of 13 and 15 years of age would also be considered part of Generation Y; however, individuals under the age of 16 were not asked to respond to the survey due to issues around ethics, including consent and confidentiality required for research with young persons (Lewis & Lindsay, 2000).

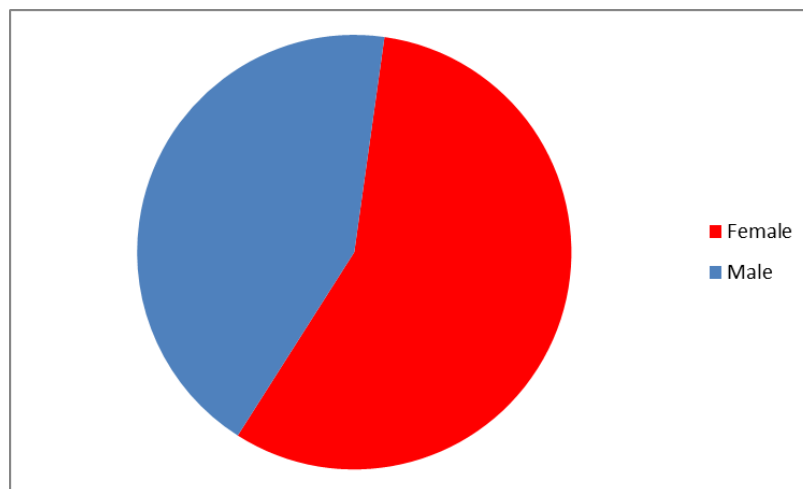
The respondents for the quantitative research were selected using non-probability convenience sampling. The selection of respondents included students and young professionals in Gauteng, Johannesburg, of all education levels, races and religions.

The study commenced with a pilot to test and validate the questionnaire in order to ensure the reliability of the outcomes. The pilot was completed in person with a group of six respondents between the ages of 16 and 33. Modifications were then made to the questionnaire as necessary.

The final questionnaire, which consisted of 20 questions, was used to collect data at various locations, such as universities in Johannesburg (e.g. the University of the Witwatersrand and the University of Johannesburg) at student residences, cafeterias, shopping centres and other social meeting places.

In total, 348 respondents participated in this study. Data from respondents that did not fit into the Generation Y age band were excluded. Eighteen respondents were excluded, leaving the Generation Y sample at 330 respondents. Of these 244 were collected via face-to-face personal data collection methods in the target locations described. The remaining respondents were contacted via email and via Facebook and asked to complete a web-based survey, hosted by SurveyMonkey.

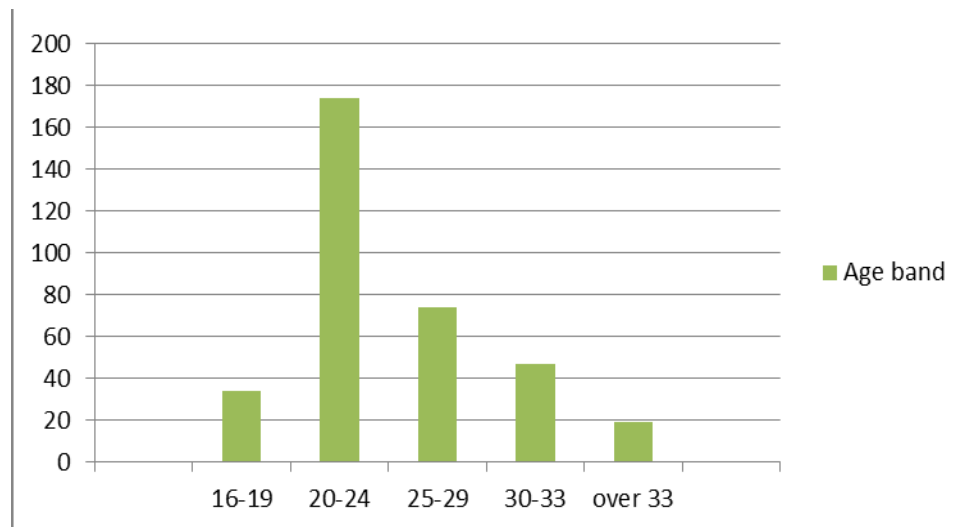
Figure 9 depicts the sex of respondents who participated in the research survey. Female respondents amounted to 203 and male respondents amounted to 127.



**Figure 9: The number of male vs. female respondents**



Figure 10 depicts the age groups of respondents who participated in the research survey.



**Figure 10: Age bands of respondents**

## **5.2 Results of factor analysis pertaining to Proposition 2**

The perceptions of Generation Y towards Branded Entertainment were identified using factor analysis. Key highlights of the factor analysis are presented in this chapter. The full results of the factor analysis are attached in Appendix D.

### **5.2.1 Factor analysis**

Factor analysis is a tool used for the identification of underlying constructs in a data set, and the reduction of the number of variables to a more manageable set (Aaker, Kumar & Day, 2007).

One of the first steps during a factor analysis is a process to reduce the data to a smaller number of variables. To this end, a Principal Components Analysis is completed. Factors generated by the principal components were rotated using a Varimax rotation. A rotated component matrix is presented in Table 9.

According to Aaker et al. (2007), an eigenvalue represents the amount of variance in the original variables that are associated with a factor. Factors with eigenvalues greater than one should be retained.

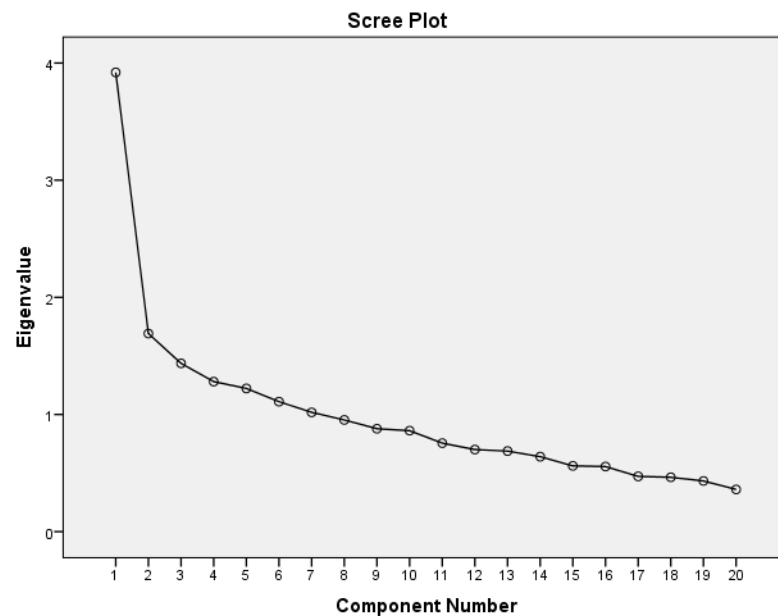
The table shows a seven factor solution for the factor analysis. These factors have eigenvalues of more than one and explain a cumulative variance of 58.291 percent. Factor analysis transforms original variables into new, non-correlated variables – named factors. The amount of information conveyed in each factor can be measured by its variance (Aaker, et al., 2007).

**Table 9: Rotated Component Matrix**

Component	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
1	3.920	19.600	19.600
2	1.691	8.455	28.055
3	1.437	7.183	35.238
4	1.280	6.402	41.640
5	1.223	6.113	47.753
6	1.109	5.547	53.300
7	1.018	5.090	58.391
8	.953	4.766	63.157
9	.878	4.392	67.548
10	.862	4.310	71.858
11	.756	3.778	75.636
12	.701	3.503	79.139
13	.688	3.439	82.578
14	.640	3.200	85.778
15	.561	2.805	88.583
16	.556	2.778	91.361
17	.472	2.358	93.719
18	.464	2.319	96.038
19	.432	2.162	98.199
20	.360	1.801	100.000

A Scree plot is a plot of the eigenvalues matched against the number of factors in order of extraction and is seen in Figure 11. The plot of the eigenvalues typically has a distinct break between the steep slope and the gradual slope (becoming flat). At the point where there is a break in the scree plot, is the point

that indicates the number of factors to be taken into account for analysis. These are often the factors with eigenvalues greater than one.



**Figure 11: Scree Plot**

The correlation between each variable and factor is shown in Table 10. The correlation coefficients are called loadings (Cooper & Schindler, 2011) and a loading relates to a greater contribution of the variable to that factor.

**Table 10: Rotated Component Matrix**

	Component						
	1	2	3	4	5	6	7
<b>Q17</b>	,748	,124	,134	-,005	,031	-,035	-,111
<b>Q7</b>	,650	,013	-,307	,276	,126	,035	,171
<b>Q15</b>	,648	,193	,119	,004	-,111	,002	,235
<b>Q10</b>	,466	,343	,296	,147	,124	-,026	-,135
<b>Q12</b>	,464	,269	,319	,070	-,308	,212	-,062
<b>Q1</b>	,137	,739	,179	,110	,010	-,010	,050
<b>Q13</b>	,060	,685	,035	,076	-,093	,273	,128
<b>Q3</b>	,252	,585	-,199	-,068	,200	-,145	-,092
<b>Q9 Rev</b>	,011	,108	,714	,049	,269	-,085	,006
<b>Q18</b>	,423	,005	,598	,019	,016	,264	,136
<b>Q4</b>	-,023	-,022	-,017	,848	-,047	-,063	,006
<b>Q11</b>	,143	,132	,046	,584	,137	,076	,009
<b>Q5</b>	,167	,444	,325	,461	,093	-,029	,167
<b>Q6 Rev</b>	-,101	,028	,105	,105	,762	-,052	-,090
<b>Q19 Rev</b>	,110	,034	,126	,021	,757	,078	,187
<b>Q16</b>	,152	-,008	-,031	-,145	,004	,796	-,115
<b>Q8</b>	-,131	,074	,056	,144	,007	,759	,133
<b>Q20</b>	,176	-,169	,217	,176	,105	-,027	,651
<b>Q14</b>	-,125	,203	-,177	-,118	,048	,086	,648
<b>Q2</b>	,321	,356	,223	,113	-,163	-,108	,435

The reversed rotation was required due to three negative statements in the survey including statement Q9, Q6 and Q19.

The rotated component matrix in Table 10 shows in green the components, each relating to a specific survey question that has a high loading. These were carried forward for the analysis.

A statement of value greater than 0.4 was considered important and these statements were included against each factor (Hair, Black, Ravin & Anderson, 2006). The seven factors that were identified, all with statement values greater than 0.4 are described below.

### **5.2.2 Factor 1 - Better Entertainment**

The Eigenvalue for factor one is 3.920, which is greater than one and therefore significant. The five variables loading onto this factor are listed in Table 11. The statements loading onto this factor that are considered important are that it is better to receive marketing while being entertained and openness to marketing while being entertained, resulting in this factor being named 'Better Entertainment'.

**Table 11: Better Entertainment**

Statement number	*Factor loading	Statement	Concept
Q_17	-0.775	It is better for brands to market to me while I am being entertained rather than traditional advertising (such as TV adverts).	Better Entertainment (compared to traditional marketing)
Q_15	-0.623	I notice brands more when they are part of a music video or video game than a TV advertisement.	
Q_7	0.620	I am more open to brand messaging during an entertainment experience that the brand is a part of.	
Q_10	0.507	Brands that market to me using entertainment platforms are more fun than those that use traditional communication.	

Statement number	*Factor loading	Statement	Concept
Q_12	0.461	All brands that I support should be associated with a fun entertainment experience	

### 5.2.3 Factor 2 - Lifestyle

The Eigenvalue for factor two is 1.691, which is greater than one and therefore significant.

The three variables loading onto this factor are listed in Table 12. Generally, the variables relate to consumer lifestyle such as the value placed on entertainment and leisure activities, therefore this factor is named 'Lifestyle'.

**Table 12: Lifestyle**

Statement number	*Factor loading	Statement	Concept
Q_1	0.739	Entertainment activities are an important part of my lifestyle.	Lifestyle
Q_13	0.685	Entertainment (leisure) activities are part of my value system	
Q_3	0.585	I skip over all traditional TV advertisements where it is possible, using technology (e.g. PVR or DVD).	

### 5.2.4 Factor 3 - Fun

The Eigenvalue for factor three is 1.437, which is also significant.

The two variables loading onto this factor are listed in Table 13. Both statements relate to positive feelings towards brand involved in entertainment, with one statement relating specifically to fun. This factor is best described as relating to the concept 'Fun'.

Statement 9 was a reversed statement. The statement read as “I consider brands that get involved in entertainment experiences as manipulative” in the questionnaire and the Likert scale value for this question was reversed for the analysis. The same was done for all the other negative statements on the questionnaire that were reversed.

**Table 13: Fun**

Statement number	Factor loading	Statement	Concept
Q_9	0.651	I consider brands that get involved in entertainment experiences as manipulative (reverse statement)	Fun
Q_18	0.627	I consider entertainment experiences with brands as fun.	

#### **5.2.5 Factor 4 - Values**

The Eigenvalue for factor four is 1.280, which is significant.

The two variables loading onto this factor are listed in Table 14. The statements relate to value statements from Generation Y as to why they support and purchase from certain brands. This factor has been named ‘Values’.



**Table 14: Values**

Statement number	*Factor loading	Statement	Concept
Q_16	0.777	I support brands that I feel reflect my own values and ethos.	Values
Q_8	0.769	It is important to me that the brand I support (purchase from) has the same values as my friends and I do.	

**5.2.6 Factor 5 - Branded Entertainment is acceptable**

The Eigenvalue for factor five is 1.223, also significant.

The two variables loading onto this factor are listed in Table 15. Statement Q\_19 is a negative statement and the value of the responses, to this statement were reversed, for the factor analysis. Both statements relate to the acceptability of Branded Entertainment, which is why the factor is named 'Branded Entertainment is acceptable'.

**Table 15: Acceptability of Branded Entertainment**

Statement number	Factor loading	Statement	Concept
Q_19	0.752	The paid placement of brands in movies should be completely banned.(reversed)	BE is acceptable
Q_6	0.752	I will not go to a movie if I know beforehand that brands have been placed prominently in the movie (reversed)	

### **5.2.7 Factor 6- Acceptable paid exchange**

The Eigenvalue for factor six is 1.109, which is significant.

The two variables loading onto this factor are listed in Table 16. The statements suggest that it is permissible for advertisers to pay to have brands placed in entertainment and for artists to be paid to insert brands into their work (music videos). Therefore, this factor was named 'Acceptable paid exchange'.

**Table 16: Acceptable paid exchange**

<b>Statement number</b>	<b>*Factor loading</b>	<b>Statement</b>	<b>Concept</b>
Q_4	0.829	It is okay for advertisers to pay to have brand-name products included in video games.	Acceptable paid exchange
Q_11	0.592	It is okay for musicians to be paid to wear or use brand-name products in their music videos.	

### **5.2.8 Factor 7- Uninterrupted and Authentic**

The Eigen value for factor seven is 1.018, which is significant.

The three variables loading onto this factor are listed in the table below. The most important statement is the one relating to viewers demanding real brands within entertainment. This factor is therefore termed 'Uninterrupted and Authentic'

**Table 17: Uninterrupted and Authentic**

<b>Statement number</b>	<b>Factor loading</b>	<b>Statement</b>	<b>Concept</b>
Q_20	0.711	I prefer to see real brands in TV, movies and video games than fictitious brands.	Authenticity
Q_14	0.581	Brands that want to be a part of an entertainment experience should not disrupt the entertainment with brand messaging.	Uninterrupted
Q_2	0.464	I notice brands more when they are part of an event or concert than a TV or radio ad.	

### **5.3 Discussion of Results pertaining to Proposition 2**

In respect of Proposition 2, seven factors were identified through the factor analysis: better entertainment, fun, values, lifestyle, Branded Entertainment acceptable, paid exchange and authenticity and non-intrusive, which explained 58 percent of the variance in the sample.

**Table 18: Summary of results – Proposition 2**

<b>Proposition: Generation Y attitudes towards Branded Entertainment are that it is:</b>	<b>Results from Factor Analysis</b>	<b>Conclusion</b>
Non-intrusive	Factor 7 – Uninterrupted and Authentic	Found
Fun	Factor 3 – Fun Factor 4 – Values Factor 2 – Lifestyle	Found
Better than other communication mediums (such as traditional advertising)	Factor 1 – Better Entertainment	Found
-	Factor 5 – Branded Entertainment acceptable Factor 6 – Acceptable Paid Exchange	New findings

### **5.3.1 Factor 1 - Better Entertainment**

Schmitt (1999) suggested that experiential marketing is increasing as we live and interact in world where everything is branded and everything becomes a form of communication and entertainment. Russell (2007) described the increase in the growth of the entertainment industry and how this impacts on what brands need to deliver on to meet consumers' expectations. In fact, the latest forms of Branded Entertainment today demonstrate how popular brands successfully plug into popular entertainment such as *The Advergaming model*, where video game developers create short, simple, online games that revolve around the brand and create an entertaining environment for the consumer.

The literature indicates that consumers prefer advertising that is entertaining. During the qualitative research study, a practitioner that was interviewed defined Branded Entertainment as "anything that is entertaining that has a brand behind it". Another practitioner commented that "today, consumers have

so many other things that they could be doing. We have more forms of our own entertainment than we have ever had before, – why should we watch your ad? Your advertising needs to entertain the consumer”.

This finding was in line with existing literature on Branded Entertainment.

### **5.3.2 Factor 2 – Lifestyle, Factor 3 – Fun and Factor 4 – Values**

Factor 2: Lifestyle, factor 3: Fun and factor 4: Values, have similar underlying variables. These three factors can be grouped into a new theme named ‘Fun’. These three factors are a measure of the psychographic profile of Generation Y. In contrast to demographics (age, gender, education level), psychographics uses psychological traits to evaluate consumption behaviours (Wolburg & Pokrywczynski, 2001).

Generation Y is known to have a short attention span and mistrust of the media (Wolburg & Pokrywczynski, 2001) while at the same time placing a high value on fun (Paul, 2001), lifestyle and entertainment such as sports, fashion and music. To communicate effectively with Generation Y it is important to understand who they are and what motivates them (Székely & Nagy, 2011; Yarrow & O'Donnell, 2009). Schmitt (1999) suggested that consumers want brands to deliver an experience that they can relate to and incorporate into their lifestyle.

The relative importance of lifestyle to Generation Y is noted from previous academic literature. During the qualitative phase of this study, marketing practitioners reported that “Brands cannot separate the product from the experience and what it means for the consumers lifestyle”, “Brands are not competing for a slice of wallet anymore, it is for a slice of lifestyle. “As a brand you need to mirror the consumer lifestyle and embed your product into that lifestyle”.

Tsai, Liang and Liu (2007) reported the link between lifestyle and a positive view towards Branded Entertainment in 2007. The authors stated that

consumers with a more fashionable and extroverted lifestyle generally have a more positive attitude toward product placement. Generation Y is brand-conscious and fashion-conscious and they gravitate towards group activities (Bartlett, 2004).

Yarrow and O'Donnell's (2009) recommendation is for marketers to subtly integrate their products into their target's lives, for example, through product placement, sponsorships, competitions, user generated content and influencers in order to attract Generation Y's attention and gain trust. Literature on experiential marketing reveals that consumption is often directed toward the pursuit of fantasies, feelings, and fun (Holbrook & Hirschman, 1982).

Generation Y research indicates that this cohort is concerned with the values of the world and the brands that they support. Generational theory involves segmenting people according to their shared values (McCole, 2004).

These findings are therefore consistent with the literature review.

### ***5.3.3 Factor 5 – Branded Entertainment Acceptable and Factor 6 – Acceptable paid exchange***

Previous studies have investigated the attitudes of consumers towards Branded Entertainment (Schmoll, 2004). Russell (2007) reports that Branded Entertainment is gaining acceptance and is increasingly integrated with other marketing / communication mix components.

In a study by Nebenzahl and Secunda (1993) of 171 college students, most respondents did not object to brand placement, and indicated they were "tired of traditional commercials" and would prefer less obtrusive advertising. Less than one third believed that placement should be banned. Only 12 percent of respondents would pay more to see a film without brands (Karrh, 1998).

In 1997, Gupta and Gould surveyed more than 1 000 college students and found that the more frequently a respondent used a specific media type, in this

case frequent movie views, the more acceptable brand placement is (Gupta & Gould, 1997).

#### **5.3.4 Factor 7 - Uninterrupted and Authentic**

The use of Branded Entertainment is a means of building or maintaining authenticity (Hudson and Hudson, 2006; Russell, 2007) due to their unobtrusive and slightly experiential nature (Koch & Andersen, 2009) and usefulness to add realism to the entertainment itself (Williams et al., 2011).

Marketing practitioners interviewed for this study, generally sighted authenticity as a key factor in successful Branded Entertainment, and so this factor is consistent with prior research.

Previous studies have found that subjects do not oppose the practice of product placement (Siegel, 2004), and some even prefer it to traditional forms of advertising because it does not interrupt their entertainment.

Generation Y is attracted to brands that offer clear value propositions, because they stand out from the mass of products available and their specific proposition is a representation to the individual that selects them (Yarrow & O'Donnell, 2009). Generation Y seeks authenticity from brands. Consumers conversing about brands attach authenticity and endorse brands within their networks (Yarrow & O'Donnell, 2009). This finding is therefore consistent with academic literature.

#### **5.3.5 Conclusion to Proposition 2**

Proposition 2 is **effectively accepted** as all proposition attitudes on Branded Entertainment were identified; in addition new findings were discovered including the acceptability of Branded Entertainment as a paid exchange.

## 5.4 Results pertaining to Proposition 3

Proposition 3 stated:

*Proposition 3*

Generation Y's views towards Branded Entertainment are positive.

### 5.4.1 Multiple regression

The results of the factor analysis showed one statement, (Q\_5) that loaded on more than one factor. Q\_5 loaded on at factors 2, 3, and 4.

Q\_5 stated:

*I have a positive view of brands that get involved in entertainment experiences.*

This variable was singled out for further statistical interrogation. A regression analysis was completed, with this as the dependent variable. The highlights of the regression analysis are presented in Table 19. The full results report of the regression analysis is attached in Appendix D.

Regression analysis is one statistical method used to relate two or more variables (Aaker, et al., 2007). The dependent variable (Y) is related to one or more independent variables (Xs). Regression analysis allows for building a prediction equation or regression model using these linked variables.

The general form of a multiple regression model is expressed below.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_k X_k + \varepsilon$$

*Where,*

*$\alpha$  is the constant,*

*$\beta_1, \beta_2$  and  $B_k$  are regression coefficients associated with independent variables  $X_1, X_2, X_k$ ,*

*$\varepsilon$  is the error / residual*



The regression analysis tries to solve the values for  $\alpha$  and  $\beta$  in the equation in a way that the error of prediction is minimised and the prediction is thus optimised (Aaker, et al, 2007).

In this study, the prediction equation is described as follows:

$$Q\_5 = \alpha + \beta_1 F_1 + \beta_2 F_2 + \beta_3 F_3 + \beta_4 F_4 + \beta_5 F_5 + \beta_6 F_6 + \beta_7 F_7 + \varepsilon$$

Where:

$F_1$  to  $F_7$ , the seven factors from the factor analysis, are the independent variables

Using SPSS, a programme for statistical analysis, a regression model summary was developed and is presented below.

**Table 19: Results of the Regression Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.717 <sup>a</sup>	.514	.503	.6015	2.101

Table 19 shows an R Square value of 0.514, indicating that approximately 51 percent of the variance in the changes in the dependent variable, can be explained by the independent variables, which relate to the seven factors from the factor analysis including, better entertainment, fun, values, lifestyle, acceptable paid exchange, acceptability and authenticity. The variable 'Positive views' is dependent on changes in these seven independent variables.

The Durbin-Watson Statistic tests for the presence of serial correlation among the residuals. The value of the Durbin-Watson statistic ranges from zero to four, with a value close to zero indicating strong positive correlation and four indicating a strong negative correlation. As a rule, the residuals are uncorrelated is the Durbin-Watson statistic is approximately two, indicating no serial correlation.

Table 20 shows the results of the ANOVA test, which summarises the results of analysis of variance (Cooper & Schindler, 2011).

**Table 20: ANOVA Test**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	122.690	7	17.527	48.437	.000 <sup>b</sup>
	Residual	116.155	321	.362		
	Total	238.845	328			

The  $R^2$  significance test involves testing the significance of the overall regression equation and the specific coefficients. This result is significant, as  $p < 0.05$ .

The factors were tested for significance. At a significance level of five percent ( $p < .05$ ), Table 21 illustrates Factors 1, 4 and 5 with significant values. The significance level indicates the percentage of the sample means that it is outside the cut-off limit (Aaker et al., 2007).

**Table 21: Coefficients Table**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-.756	.320		-2.363	.019
1. Better Entertainment	.057	.057	.046	.991	.322
2. Lifestyle	.196	.050	.172	3.960	.000
3. Fun	.115	.047	.105	2.439	.015
4. Values	-.007	.042	-.006	-.163	.871
5. BE Acceptable	.042	.040	.042	1.036	.301
6. Paid Exchange	.681	.053	.544	12.807	.000
7. Uninterrupted and Authentic	.138	.054	.108	2.552	.011

Factors 1, 4 and 5 need to be excluded due to the values not being significant.

The revised equation is therefore:

$$Q\_5 = -0.756 + .172(\text{Lifestyle}) + 0.105(\text{Fun}) + 0.544(\text{Acceptable Paid Exchange}) + 0.108(\text{Uninterrupted and Authentic}) + \epsilon$$

### **5.4.2 Conclusion**

The following factors are not significant: better entertainment, values and Branded Entertainment acceptable, and therefore, excluded from the prediction equation.

The significant independent variables were, lifestyle, fun, acceptable paid exchange and uninterrupted and authentic. These variables were included in the regression equation. Of these, the highest coefficient was paid exchange with a coefficient of 0.544. This factor contributes the greatest to the dependent variable Q\_5 (Positive Views).

Owing to the statistically significant results, it can be concluded that Generation Y has a positive view towards Branded Entertainment. Consequently, Proposition 3 is **accepted**.

## CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

### 6.1 Introduction

This chapter reviews the conclusions of this study in relation to the literature review presented in Chapter 2. It examines how this study in South Africa compares to theory and research presented by previous studies.

### 6.2 Conclusions of the study

Proposition 1 stated that:

#### *Proposition 1*

The marketing of Branded Entertainment to Generation Y consumers depends on the following criteria:

- Media fragmentation;
- Competitive landscape;
- Authenticity;
- Target market;
- Integration;
- Budget;
- Relevance; and
- New technology.

The results are summarised in Table 22.

**Table 22: The criteria to consider for successful Branded Entertainment**

Criteria	Description of criteria	Branded Entertainment findings
Media Fragmentation	In response to the proliferation of media today, consumers actively avoid traditional advertising messages.	Branded Entertainment is a relatively new tool, and is integrated into entertainment, which the consumer chooses to consume. Brand messaging is thus unobtrusive, more subtle and difficult to ignore.
Competitive landscape	Competitive forces globally and across product categories, make it essential for brands to differentiate and find solutions to communicating effectively with target customers.	Branded Entertainment can create an effective communication tool for brands, which has impact on brand awareness, brand position, favourable portrayal of the brand, positive celebrity endorsements and word of mouth. Branded Entertainment can assist in differentiating a brand and forming a competitive advantage.
Authenticity and Realism	Generally, Generation Y dislike the use of fictional products in entertainment, and creators need to create realistic settings e.g. Films and video games.	Branded Entertainment allows creators to bring a sense of realism, truth and correctness to consumers (authenticity).
Target market	Different groups of consumers use different media, have different requirements and expectations of brands and entertainment.	Older consumers tend to have a more negative perception of Branded Entertainment. Younger consumers, such as Generation Y, have a generally favourable view.
Integration	Traditional Advertising is created around the brand and brand messaging and inserted into various media platforms, making it susceptible to ad-avoidance behaviour.	Brands can be woven into entertainment content in order to resonate with consumers and have more impact on brand positioning, positive portrayal of the brand. Integration also prevents the brand from interrupting the entertainment experience for the consumer.
Relevance	Mass media communication (traditional broadcast advertising) cannot, by its very nature, be customised to specific consumer groups and lifestyles.	Successful Branded Entertainment is firstly, relevant to the brand.  Secondly, it is created to be specifically relevant to the target consumer and their lifestyle.

Criteria	Description of criteria	Branded Entertainment findings
Budget	Budgets for production of entertainment are increasing and marketing and advertising budgets for many companies are under pressure.	Branded Entertainment allows for partnerships with brands that can reduce costs for production. From the brand point of view, Branded Entertainment experiences could offer more value for the investment cost, more longevity and more leverage across media platforms (such as digital media and PR).
Technology, Internet and Social Media	Technology has enabled consumers to skip over advertising, view entertainment on demand, and use multiple entertainment and communication tools simultaneously. It also allows sharing of news, viewing of information and communicating with peers and with brands instantly.	Branded Entertainment translates well into digital media and Branded Entertainment initiatives can be leveraged across social media for viral campaigns. Branded Entertainment that is integrated into entertainment experiences cannot be skipped over. Branded Entertainment that is integrated and unobtrusive within an entertainment platform that matches the target consumer lifestyle is unlikely to be ignored, because it adds value.

Based on the analysis of results from respondents and the comparison table presented, Proposition 1 is **partially accepted**, as most of the criteria were identified except for Budget, but additional criteria were also identified, including media convergence, lifestyle, adds value and brand world .

Proposition 2 stated:

*Proposition 2*

Generation Y's attitude towards Branded Entertainment is that it is:

- Fun;
- Non-intrusive; and
- Better than other marketing communication mediums (advertising).

The results are summarised in Table 22.

**Table 23: Generation Y's attitudes on Branded Entertainment**

Attitudes	Description of Attitudes	Branded Entertainment Findings
Fun	Certain groups of consumers, such as Generation Y, place a high value on fun and entertainment.	This value of fun can be incorporated into marketing efforts, by using Branded Entertainment.
Unobtrusive	Traditional advertising is by nature obstructive as it must interrupt viewing, browsing or listening with a brand message.	Successful Branded Entertainment is unobtrusive, as the brand is woven into the entertainment media.
Better than other communication	Traditional Marketing has been negatively described by many consumers and as increasingly ineffective in reaching consumers.	Branded Entertainment allows brands to add value to the consumer by creating or participating in an entertaining experience customised for the consumer.

Proposition 2 is **effectively accepted** as all proposition attitudes on Branded Entertainment were identified. In addition, new findings were discovered including the acceptability of Branded Entertainment as a paid exchange.

Finally, proposition 3 stated:

*Proposition 3*

Generation Y's views on Branded Entertainment are positive.

The results of the multiple regression analysis on Generation Y views are given in Table 24:

**Table 24: Generation Y Views on Branded Entertainment**

View	Description of View	Branded Entertainment Findings
Positive view	Consumers have been shown to exhibit ad-avoidance behaviour towards traditional advertising. This reflects an increasingly negative view towards advertising.	Generally, consumers have a favourable attitude, perception and view of Branded Entertainment. Specifically, Generation Y, an important consumer group for many brands, is shown to have a positive view of Branded Entertainment.

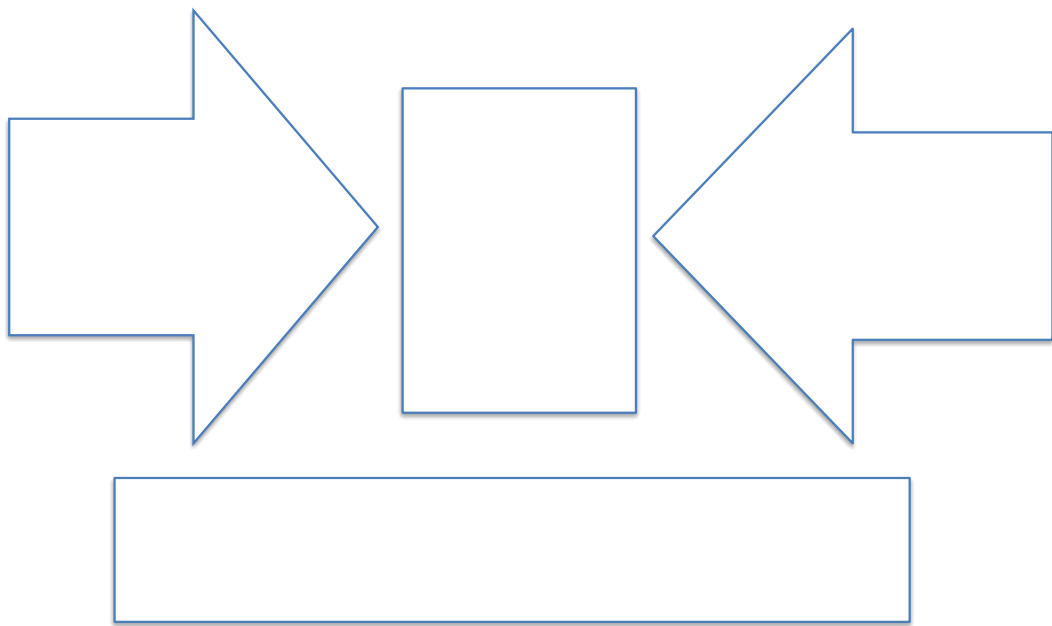
Owing to the statistically significant results of the Regression Analysis, it was concluded that Generation Y has a positive view towards Branded Entertainment and Proposition 3 is **accepted**.

### **6.3 Recommendations**

This research is of particular use to marketing practitioners, brands and companies that use Branded Entertainment and those that wish to find ways to target their marketing activities at Generation Y cohorts in South Africa.

Upon reviewing the research, Figure 12 is presented.





**Figure 12: The use of Branded Entertainment to Generation Y consumers in South Africa**

Recommendations to marketing practitioners and brand owners of agencies involved in Branded Entertainment could consider the following factors before undertaking initiatives.

- [1] The environmental factors and how they affect the brand, including the effect of technology on marketing efforts and the effect on the consumer behaviour of the target audience (Generation Y) and the effects of media fragmentation and the proliferation of the media. The brand needs to analyse the competitive forces within the industry and product category and assess the effect on their level of differentiation in the marketplace, considering that Branded Entertainment is a means of building competitive advantage.
- [2] *Factors for Brands:* In conceptualising Branded Entertainment, the following must be considered: The Branded Entertainment media/vehicle needs to be selected based on what is most relevant to the target consumer and what is most congruent with the brand itself. In order to resonate with consumers, the entertainment must add value. It may be

suitable to micro-segment groups within Generation Y to determine more specific lifestyle and entertainment habits. For example, Hip-Hop fanatics or skateboard enthusiasts, a specific lifestyle that a brand can plug into using Branded Entertainment. The type of entertainment must also match the brand. For example, a health product engaging in an initiative that is not associated with healthy living, such as a drinking contest, junk food or tobacco would not necessarily be authentic and congruent with the brand positioning and value proposition, even if those activities form part of the target consumers' lifestyle.

- [3] *Generation Y's views of Branded Entertainment*: In the execution of Branded Entertainment, the brand must be well integrated into the entertainment and care should be taken not to be obtrusive or interrupt the entertainment and enjoyment of the audience. For example, pausing entertainment at a musical concert for example in order to insert brand messaging would need to be carefully considered.

Generation Y values Branded Entertainment that is fun and unobtrusive and that is linked to their lifestyle and values. This should be kept in mind throughout the process of developing any Branded Entertainment targeting this group.

This study shows that Generation Y has a positive view towards Branded Entertainment and suggests that Branded Entertainment may be used as a primary tool in order to communicate and market to Generation Y consumers.

## **6.4 Suggestions for further research**

Various aspects of current literature on the subject of Branded Entertainment were touched upon in this study, but there were also areas identified that would assist in building on research and theory within the marketing practice.

Future potential studies could research the perspectives of marketing practitioners in other regions of South Africa. This study focused on practitioners in the Gauteng province and in that province, mainly Johannesburg. The results of this study in the Gauteng region may not be

representative of practitioner views in any of the other eight provinces of South Africa.

During this study, several practitioners suggested that the applications of Branded Entertainment are still rudimentary when compared with international use and that when compared with international trends and views, South Africa would be behind the curve. This could be an area of comparison to study for future research.

Another suggestion from practitioners who were interviewed for the purposes of this study is that the leaders in Branded Entertainment practices in Africa will be outside Southern Africa. Countries highlighted for areas of interest for this type of study were Nigeria, Kenya, Ghana and Angola where examples of successful Branded Entertainment concepts were apparently extensive in the music industry, according to the views of marketing practitioners.

An area highlighted in the literature review, worthy of further study and a subject that was highlighted in this study, is the lack of agreed metrics to measure the success and return of investment on Branded Entertainment campaigns. It is suggested that measures for Branded Entertainment may be different from other marketing practices.

A practitioner interviewed for the purposes of this study stated, “Branded Entertainment still has a long way to go. I don’t think the science behind it is well understood but brands undertake the practice intuitively, if it feels right for certain audiences, but there is a lack of metrics to measure success”.

The quantitative phase of this study focused on collecting and analysing data from Generation Y consumers. This is a relevant group of the consumer economy today due to their sheer size, spending power and influence on household spending power. This is also the first generation that is widely considered to be marketing savvy and who has grown up with marketing and technology. It will be interesting to do a similar study on the view of the next generational cohort, Generation Alpha, born between 2000 and 2020. There may be interesting insights when comparing the perspectives to Branded

Entertainment. Similarly, research on the views on Branded Entertainment of previous generational cohorts in South Africa, such as Generation X or Baby Boomers, may also prove to be of interest.

Another area that calls for investigation is to distinguish between the various Branded Entertainment techniques and between entertainment vehicles including new and popular entertainment mechanisms such as Video Gaming and Reality TV. Views of consumers towards Branded Entertainment in each of these entertainment vehicles would also be a valuable study. Consumer reactions to Branded Entertainment with different types and categories of brands would also be interesting, for example for B2B brands.

Finally, as the practice of Branded Entertainment increases globally, it would be interesting to determine if consumer responses towards it change. A reason for the generally favourable view of Branded Entertainment is that it is new, more dynamic and better than traditional marketing and advertising, which has become a cluttered perform. If consumers react to media fragmentation with ad-avoidance behaviour, is it possible that consumers will develop Branded Entertainment avoidance in future? It would be interesting to investigate this.

## REFERENCES

- Aaker, D. A., Kumar, V., & Day, G. S. (2007). *Marketing research*. Hoboken, NJ: Wiley.
- Advertising Age. (2007). *Madison Vine photos*. Retrieved on 10 November 2013, from <http://adage.com/section/madisonvine-photos/495>
- ANA. (2011, 15 August). *Branded Entertainment Initiatives Increasingly Important to Marketers, ANA Survey Reveals*. Retrieved 10 November 2013, from <http://www.ana.net/content/show/id/21842>.
- Argan, M., Velioglu, M. N., & Argan, M. T. (2007). Audience attitudes towards product placement in movies: A case from Turkey. *Journal of American Academy of Business*, 11(1), 161-167.
- Balasubramanian, S.K. (1991). *Beyond Advertising and Publicity: The Domain of the Hybrid Messages*. Cambridge, MA. Marketing Science Institute.
- Balasubramanian, S.K. (1994). Beyond Advertising and Publicity: Hybrid Messages and Public Policy Issues. *Journal of Advertising*, 23(4), 29-47.
- Balasubramanian, S.K., Karrh, J.A., & Patwardhan, H. (2006). Audience response to product placements: An integrative framework and future research agenda. *Journal of Advertising*, 35(3), 115-141.
- Bartlett, M., (2004). Understanding what shapes generation can help the analyst. *Credit Union Journal*, 8(21), 14-17.
- BCMA. (2011). *Guide to Advertiser Funded Programmes*, Retrieved on 13 November 2013, from <http://www.thebcma.info>.
- Chan, F. (2003). Product Placement Effectiveness: A Systematic Approach and proposals for future research. *The Marketing Review*, 12(1), 39-60.

- Colorado State University. (2005). *Survey Research*. Accessed on 10 November 2013, from <http://Writing.colostate.edu/guides/research/survey/com21d1.cfm>
- Cooper, D., & Schindeler, P. (2011). *Business Research Methods*. New York: McGraw-Hill Higher Education.
- Creswell, J.W. (1998). *Qualitative inquiry and research design: choosing among five traditions*. Thousand Oaks, California: Sage Publications.
- Creswell, J.W. (2003). *Research Methodology: Qualitative, Quantitative and Mixed Methods Approaches*. (Second ed.). London: Sage Publications.
- Cui, Y., Trent, E., Sullivan, P., & Matiru, G. (2003). Cause-related marketing: how Generation Y responds. *International Journal of Retail & Distribution Management*, 31(6), 310-320.
- d'Astous, A., & Chartier, F. (2000). A study of factors affecting consumer evaluations and memory of product placements in movies. *Journal of Current Issues & Research in Advertising*, 22(2), 31-40.
- d'Astous, A., & Seguin, N. (1999). Consumer reactions to product placement strategies in television sponsorship. *European Journal of Marketing*, 33(9-10), 896-910.
- De Coster, J. (1998). *Overview of Factor Analysis*. Retrieved, 14 January, 2014, from <http://www.stat-help.com/notes.html>
- DeLorme, D., Reid, L., & Zimmer, M. (1994). *Brands in Films: Young Moviegoers' Experiences and Interpretations*. Paper presented at the 194<sup>th</sup> Conference of the American Academy of Advertising, Tuscon, Arizona.
- DiGilio, J, Lynn-Nelson, G. and Reis, R.M. (2004). The millennial invasion: Are you ready? *Information Outlook*, 8(11), 15-20.

- Egan, J. (2004). *Relationship Marketing: Exploring relational strategies in marketing*. (Second ed.). Upper Saddle River, New Jersey: Prentice Hall.
- Falkow, S. (2010). *PR trends 2010: Branded Content. The Proactive Report*. Retrieved 12 December 2013, from <https://www.proactivereport.com/pr/pr-trends-2010-branded-content/>
- Fuller, L.K. (1997). We can't duck the issue: Imbedded advertising in the motion pictures. In K.T. Frith, (Ed.). *Undressing the Ad: Reading Culture in Advertising* (pp. 109-130). New York: Peter Lang Publishing Inc.
- Gerbner, G., & Gross, L. (1976). Living with television: The violence profile. *Journal of communication*, 26(2), 172-194.
- Gould, S., Gupta, P.B. & Grabner-Kräuter, S. (2000). Product Placements in Movies: A Cross-Cultural Analysis of Austrian, French and American Consumers' Attitudes toward This Emerging, International Promotional Medium. *Journal of Advertising*, 29(4), 41-58.
- Goulding, C. (2005). Grounded theory, ethnography and phenomenology: A comparative analysis of three qualitative strategies for marketing research. *European Journal of Marketing*, 39(3/4), 294-308.
- Gupta, P.B., & Gould, S.J. (1997). Consumers' perceptions of the ethics and acceptability of product placements in movies: Product category and individual differences. *Journal of Current Issues and Research in Advertising*, 19(1), 37-50.
- Gupta, P. & Lord, K., (1998). Product Placement in Movies: The effect of Prominence and Mode on Audience Recall. *Journal of Current Issues and Research in Advertising*, 20(1), 47-60.
- Gurau, C. (2012). A life-stage analysis of consumer loyalty profile: comparing Generation X and Millennial consumers. *Journal of Consumer Marketing*, 29(2), 103-113.

- Hackley, C., & Tiwsakul, R. (2006). Entertainment Marketing and Experiential Consumption. *Journal of Marketing Communications*, 12(1), 63-75.
- Hair, F. Jr., Black, W., Babin, B., & Anderson, R., (2006). *Multivariate Data Analysis*. (Seventh ed.). New Jersey: Prentice Hall.
- Hall, E. (2004). Young consumers receptive to movie product placement. *Advertising Age*, 75(13), 8.
- Holbrook, M.B., & Hirschman, E.C. (1982). The Experiential Aspects of Consumption: Consumer Fantasy, Feelings and Fun. *Journal of Consumer Research*, 9(2), 132-140.
- Howe, N., & Strauss, W. (2000). *Millennials Rising, The Next Great Generation*. (Third ed.). New York: Vintage Books.
- Hudson, S., & Hudson, D. (2006). Branded Entertainment: A New Advertising Technique or Product Placement in Disguise? *Journal of Marketing Management*, 22(5-6), 489-504.
- Karrh, J. (1995). *Brand Placements in Feature Films: The Practitioner's View*. Proceedings of the Conference of the American Academy of Advertising, Waco, Texas.
- Karrh, J. (1998). *Why (some) brands Brand Placements are Effective: Insights From Impression Management Research*. Proceedings of the Conference of the Academy of Advertising, Waco, Texas.
- Karrh, J., McKee, K., & Pardun, C. (2003). Practitioners Evolving Views on Product Placement Effectiveness. *Journal of Advertising Research*, 43(20), 138-149.
- Koch, C., & Anderson, M. (2009). *The concept of Experiential branding*. Copenhagen: Copenhagen Business School.
- Kotler, P. (2000). *Marketing Management – The Millennium Edition*, (10th ed.). Upper Saddle River, New Jersey: Prentice Hall.



- Lang, G.E., & Lang, K. (1984). *Politics and Television Re-viewed*, Beverly Hills, CA: Sage.
- Lazarevic, V. (2012). Encouraging brand loyalty in fickle Generation Y consumers, *Young Consumers: Insight and Ideas for Responsible Marketers*, 13(1), 45-61.
- Lee, D., Sung., & Choi, M. (2011). Young adults' responses to product placement in movies, and television shows, A comparative study of the United States and South Korea. *International Journal of Advertising*, 30(3), 479-507.
- Leedy, P., & Ormrod, J. (eds.) (2010) *Practical research, planning and design*, (Ninth ed.). New Jersey: Pearson Education Inc.
- Lees, M., Scott, J. & Wong, R. (2008). Perceptions of product placement practice across Australian and US practitioners. *Marketing Intelligence & Planning*, 26(5), 521-538.
- Lehu, J., & Bressoud, E. (2007). Effectiveness of brand placement: New insights about viewers. *Journal of Business Research*, 6(10), 1083-1090.
- Lewis, A., & Lindsay, G. (Eds.). (2000). *Researching Children's Perspectives*. Buckingham: Open University Press.
- Mackay, T., Ewing, M., Newton, F., & Windisch, L. (2009). The effect of product placement in computer games on brand attitude and recall. *International Journal of Advertising*, 28(3), 423-438.
- Malholtra, N.K. (1982). Information Load and Consumer Decision Making. *Journal of Consumer Research*, 8(4), 419-430.
- Marconi, J. (2005). *Creating the Marketing Experience: new strategies for building relationships with your target market*. Ohio: Thomson.

- McCole, P. (2004). Refocusing marketing to reflect practice: The changing role of marketing for business. *Marketing Intelligence and Planning*, 22(5), 531-539.
- McKechnie, S., & Zhou, J. (2003). Product placement in movies: A comparison of Chinese and American consumers' attitudes. *International Journal of Advertising*, 22(2), 349-374.
- Merriam-Webster. (2009). *Merriam-Webster - Authenticity*. Retrieved 30 November, 2013, from <http://www.merriam-webster.com/dictionary/authentic>
- Miles, M. B., & Huberman, A. M. (1994). *Qualitative data analysis: An expanded source book*. Thousand Oaks, CA: Sage.
- Miller, R.K. (2011). *Consumer behaviour 2011: Millennial Consumers*. Loganville, GA: Richard K Miller & Associates.
- Mittal, B. (1994). Public Assessment of TV Advertising: Faint Praise and Harsh Criticism. *Journal of Advertising Research*, 34(1), 35-53.
- Mokgata, Z. (2012. 30 January). *Spot the Label – Branded Entertainment*. *Ad Focus*. Retrieved 18 September, 2013, from <http://www.adfocus.co.za/?p=5838>
- Mortimer, R. (2002). Box Office Brand Bonanzas. *Brand Strategy*, 166 (December), 22-24.
- Morton, C. R., & Friedman, M. (2002). 'I Saw it in the Movies': Exploring the Link between Product Placement Beliefs and Reported Usage Behavior. *Journal of Current Issues & Research in Advertising*, 24(2), 33-40.
- Nelson, M.R. (2002). Recall of Brand Placements in Computer/Video Games *Journal of Advertising Research*, 42(2), 80-92.

- Nelson, M.R. (2005). Adolescent brand consciousness and product placements: awareness, liking and perceived effects on self and others. *International Journal of Consumer Studies*, 29(6), 515-528.
- Newell, J., Salmon, T., & Chang, S. (2006). The Hidden History of Product Placement. *Journal of Broadcasting and Electronic Media*, 50(4), 575-594.
- Nebenzahl, I.D., & Secunda, E. (1993). Consumers' attitudes toward product placement in movies. *International Journal of Advertising*, 12, 1-1
- Pardun, C. J., & McKee, K. B. (1996). *The Traditional Advertising Agency's View of Product Placements as Viable Media Strategy*. Montreal: Association for Education in Journalism and Mass Communication.
- Patil, P.C., & Bisoyi, P.L. (2012). Product Placement in movies: a way of brand promotion. *International Journal of Research in Finance & Marketing*, 2(2), 217-231.
- Paul, P. (2001). Getting inside Generation Y, *American Demographics*, 23(9), 42-49.
- Pine, B., & Gilmore, J. (1999). *The Experience Economy - Work Is Theatre & Every Business a Stage*. Boston Massachusetts: Harvard Business School Press.
- Pine, B.J., & Gilmore, J.H. (2007). *Authenticity: What consumers really want*. Boston: Harvard Business School Press.
- Pitta, D. (2012). The challenges and opportunities of marketing to Millennials. *Journal of Consumer Marketing*, 29(2), 84-85.
- Roberts, J.A., & Manolis, C. (2002). Baby Boomers & busters: An exploratory investigation of attitudes & consumerism. *Journal of Consumer Marketing*, 17(6), 461-499.

- Russell, C. A. (1998). Toward a Framework of Product Placement: Theoretical Propositions. *Advances in Consumer Research*, 25(1), 357-362.
- Russell, C. A. (2002). Investigating the Effectiveness of Product Placements in Television Shows: The Role of Modality and Plot Connection Congruence on Brand Memory and Attitude. *Journal of Consumer Research*, 29(3), 306-318.
- Russel, C. (2007). *Advertainment: Fusing Advertising and Entertainment*. Yaffe Center for Persuasive Communication. University of Michigan.
- Russel, C.A., & Belch, M. (2005). A Managerial Investigation into the Product Placement Industry. *Journal of Advertising*, 45(1), 73-92.
- Russel, C., & Stern, B. (2006). Consumers, Characters, and Products. *Journal of Advertising*, 35(10), 7-21.
- Sauer, A. (2005). *Brandchannel's 2004 product placement awards*. Retrieved February, 26, 2005 from:  
[http://www.brandchannel.com/features\\_effect.asp?Str Pf Date=2005](http://www.brandchannel.com/features_effect.asp?Str Pf Date=2005)
- Schmitt, B. (1999). *Experiential Marketing: How to get Customers to Sense, Feel, Think, Act, and Relate to your Company and Brands*. New York, NT: The Free Press.
- Schmoll, N.M., Hafer, J., Hilt, M., & Reilly, H. (2006). 'Baby boomers' attitudes towards product placements. *Journal of Current Issues and Research in Advertising*, 28(2), 33-53.
- Senguder, T. (2003). An evaluation of consumer and business segmentation approaches. *Journal of American Academy of Business*, 2(2), 618-624.
- Siegel, P. (2004). Product Placement and the Law. In M. Galician, (Ed.), *Handbook of Product Placement in the Mass Media: New Strategies in Marketing Theory, Practice, Trends and Ethics*, (pp. 89-100), Binghamton, NY: The Hayworth Press, Inc.

- Smit, E., Van Reijmersdal, E., & Neijens, P. (2009). Today's practice of brand placement and the industry behind it. *International Journal of Advertising*, 28(5), 761-782.
- Snoddy, R. (2006). Time to Formalise Product Placement. *Marketing*, October 4, p. 18.
- Solomon, M.R. & Englis, B.G. (1994). Reality Engineering: Blurring the Boundaries Between Commercial Signification and Popular Culture. *Journal of Current Issues and Research in Advertising*, 16(Fall), 1-16.
- Stone, M., Stanton, H., Kirkham, J., & Pyne, W. (2001). The digerati: Generation Y finds its voice. Why cannot brands do the same? *Journal of Targeting, Measurement and Analysis for Marketing*, 10(2), 158-167.
- Strazdina, A. (2009). *Experiential marketing – entertaining events or a crucial part of the marketing mix?* Holland: European Business Administration / IBMS, Metropolia Business School and Hogeschool.
- Sung, Y., & de Gregorio, F. (2008). New brand worlds: College student consumer attitudes toward brand placement in films, television shows, songs, and video games. *Journal of Promotion Management*, 14(1-2), 85-101.
- Sung, Y., de Gregorio, F., & Jung, J. (2009). Non-student consumer attitudes towards product placement: Implications for public policy and advertisers. *International Journal of Advertising*, 28(2), 257-285.
- Tay, A. (2001). Expectations and Perceptions of Different Generations of Employees. *African Journal of Business Management*, 5(2), 249-255.
- Tiwsakul, R., Hackley, C., & Szmigin, I. (2005). Explicit, non-integrated product placement in British television programmes. *International Journal of Advertising*, 24(1), 95-111.

- Tsai, M., Liang, W., & Liu, M. (2007). The effects of subliminal advertising on consumer attitudes and buying intentions. *International Journal of Management*, 24(1), 3-14.
- Uncles, M. D., Dowling, G. R., & Hammond, K. (2003). Customer loyalty and customer loyalty programs. *Journal of consumer marketing*, 20(4), 294-316.
- Van Reijmersdal, E. A., Neijens, P. C., & Smit, E. G. (2007). Effects of television brand placement on brand image. *Psychology & Marketing*, 24(5), 403-420.
- Vranica, S. (2004). Product-Placement Sheds Its Cozy Trappings. *Wall Street Journal*, 23, B1.
- Wei, M. L., Fischer, E., & Main, K. J. (2008). An examination of the effects of activating persuasion knowledge on consumer response to brands engaging in covert marketing. *Journal of Public Policy & Marketing*, 27(1), 34-44.
- Whelan, S., & Wohlfeil, M. (2006). Communicating brands through engagement with 'lived' experiences. *Journal of Brand Management*, 13(4), 313-329.
- Williams, J.S. (2008). Generation X, Y, Z and Others. *The Journal of the Household Goods Forwarders Association of America, Inc.*, XL, 9-11.
- Williams, K., Petrosky, A., Hernandez, E., & Page, R. (2011). Product placement effectiveness: revisited and renewed. *Journal of Management and Marketing Research*, 7, 1-24.
- Wolburg, J., & Pokrywczynski, J. (2001). A psychographic analysis of Generation Y college students, *Journal of Advertising Research*, 41(5), 33-52.
- Wreden, N. (2005). *Profit Brand: how to increase the profitability, accountability and sustainability of your brand*. London; Kogan Page

Wuensch, K. L. (2005). *What is a Likert Scale? and How Do You Pronounce 'Likert?'*. Greenville: East Carolina University.

Yarrow, K., & O'Donnell, J. (2009). *Gen buy: How tweens, teens and twenty-somethings are revolutionizing retail*. Hoboken, New Jersey: John Wiley and Sons.

## **APPENDIX A**

### **Qualitative research letter to respondents**

Dear Respondent,

I am completing a Master of Management in Marketing Strategy (MMSM) at Wits Business School, Johannesburg (WBS). As part of the requirement for my MMSM degree, we are required to do a research report, comprising 50% of the final mark. The topic of my research is, Branded Entertainment as an experiential marketing tool for Generation Y consumers in South Africa.

I would be grateful if I could arrange an in-depth interview with you to understand the how Branded Entertainment and experiential marketing is defined and used within your organization. The interview should take between 30 minutes to an hour, and your contribution would be greatly appreciated.

The interview will not involve questions on your detailed strategic plans for the future, focusing more on the general manner in which your company makes use of Branded Entertainment.

Confidentiality will be observed throughout the thesis process and the final report will be for academic purposes only.

I will be available to meet with you at a location and time of your convenience.

Thank you for your kind assistance. Yours sincerely,

Ninel Musson

Email: [ninel@ninel.co.za](mailto:ninel@ninel.co.za)

Mobile: +27 82 535 6387



## **Qualitative research instrument**

### Broad Branded Entertainment practitioner interview questions

- 1) What is your understanding of Branded Entertainment?
- 2) What do you see as some of the key success factors and challenges for Branded Entertainment?
- 3) Can we generally discuss examples of Branded Entertainment campaigns used in your business or industry?
- 4) How do you believe Generation Y consumers view Branded Entertainment (campaigns) in South Africa?

## **APPENDIX B: TRANSCRIPT OF QUALITATIVE INTERVIEW**

12 August 2013 (verbatim)

*Q: What do you understand by Branded Entertainment?*

A: Before we get to Branded Entertainment, let's look at entertainment: Any activity that is designed to provide a degree of satisfaction to consumers by means of the fact that they engage with it or participate in it, I think it's an activity that derives value for consumers. The branded portion is when you introduce products or services into that equation or communicate when people are naturally engaging in activities that are of leisure or entertainment value to them and you introduce brands to communicate to them in order to generate sales, build awareness, build affinity or in general to appeal to that particular customer or segment.

I think that Branded Entertainment is where these two points meet. I think that Branded Entertainment is unexplored, from what I have seen. I think that applications are rudimentary -from what I have seen.

In TV, I think that placing a coca cola bottle on a table during Idols is a rudimentary application - but it is an application. I think that brands have to be very brave to get involved in what I would view as genuine Branded Entertainment. I think it reaches further than just presence on screen but also getting involved in the narrative and other things (integrated). I think that it is unexplored but it is an exciting meeting between two areas that are not always viewed in the same vein.

*Q: Do you think that there are particular factors that would lead to a successful Branded Entertainment campaign or application as you describe?*

A: Yes the outcome, whatever you define as the reason for choosing Branded Entertainment.

*Q: Why is Branded Entertainment more important now?*

A: Because consumers associate brands with experiences, consumers, and in a more personal light than they ever have. So, the attributes of brands that appeal to consumers - if you are clever you can incorporate that into what the consumer does from an entertainment perspective to get value. Now more than ever, if brands are brave enough and if they have enough rigour in exploring what their market is really

concerned and involved with, can find a lot of value in attaching themselves to experiences that their consumers are participating in.

Also - it breaks away from the traditional mould. I remember when branded parties were first introduced into the mix, it was a very novel idea that your brand was reaching out to meet you at your level (the consumer level). Before then it was more about customers reaching out to brands - trying to reach the brand / grab the brand.

The notion that brands are now reaching back out and trying to appeal to their consumers really appeals to where consumers are today - in the sense that everyone thinks that they are more important than they actually are. I think it appeals to the fact that technology allows us to do much more than before and if you are clever on how you position your brand in that market, the opportunity when you have got entertainment is amplified.

The opportunity, now more than ever, is ripe because of the way the consumer thinks about brands and how they use brands in their day-to-day life. I think it's really interesting and provides for good marketing practice.

*Q: could you give any example of successful Branded Entertainment campaigns?*

A: I have a live example of current initiative. As a bank, we have struggled for a long time to shed the perception that we are an elite bank. We have been trying to get into the entry level banking space for a long time.

These are the high-level challenges for the organisation. The most important goals / objectives for any of our campaigns is to build affinity and to get people to open accounts, And when we look at a Branded Entertainment property like the X<sup>1</sup> team search, we look the component of taking every day South Africans and turning them into soccer stars. The reason we did that was that the entertainment value was high (the entertainment value of rags to riches is globally appealing - taking someone from zero to hero is always appealing). And packaging that can be done in any number of ways. The fact that we used football to drive that was the fact that we were using pure entertainment property. Where it became interesting is that at the front of the campaign, we don't really have Branded Entertainment, the Branded Entertainment component comes as we engage and build these individuals into soccer stars - build them from zeroes to heroes. And then our product is introduced when they become heroes and there is a financial component in that they now earn money and need to make investment decisions and do things around our products and services.

The natural progression is that because we have been part of the journey we will be first choice for these products and services. And we will only really see return on

---

<sup>1</sup> Name removed to maintain confidentiality.

investment at this point. But building the journey to get there required us to 1) set our objectives as a brand, 2) understand how the entertainment component fits in that, 3) figure out how we will sell products through that to affect our bottom line.

*Q: How important is that type of campaign is as opposed to other types of traditional marketing that you may be using?*

A: Target market determines the level of importance for the brand. For us, I think it's extremely important because we are in the space now where digital is starting to play more of a role, and we have always been challenged in that traditional campaigns didn't always translate so easily into digital campaigns.

We would get a wonderful big idea. Last year the big idea was around soccer. The principal for it was based on a great rags to riches story, going from playing for Tukkies to Orlando Pirates. And while that made a great above the line story, there really was not a strong interpretation into the digital space. Whereas the idea this year means that we develop a story and narrative which at every point in time requires the lives of these young soccer players being interpreted into the digital spaces - personalities, experiences, what they go through, the trials, behind the scenes, the crying mothers - it's all part of the experience. For us the digital component starts to be amplified by being able to use Branded Entertainment to deliver on the objectives.

In traditional mediums, it is not so much. If I look at the ability to translate above-the-line campaigns into digital, we end up retro fitting things that don't always feel natural and as a result we end up doing the usual mobi-site, website and you know hashtag, which is not too sophisticated.

For us, the major driver for investigating Branded Entertainment - is to see how we can leverage it further, and digital was a key aspect for us.

*Q: What do you think the view of Branded Entertainment for Generation Y is?*

A: I think Generation Y are sceptics of Branded Entertainment They are smarter than most brands and marketers think they are. So I think Generation Y can pick up something that is superficial and can get a very quick sense if the brand is doing this as a genuine initiative or activity or simply as a commercial activity. That is why is important that we break in things that have to do with our brand without necessarily outing green (our brand colour) all over the place. Generation Y are sceptics and curators. They are selective about what entertainment and content they consume because they curate it not only on their own behalf but also for the networks they plug into - simply because of technology. I think because they are sceptics and rate themselves highly and they curate information for themselves and their networks, you need to approach this group with kid gloves. Brands throw money at entertainment properties and events and activations, and yes for that two to three-hour period it may

be nice, and if you haven't thought about it further than that, that's where it's going to end. Because Generation Y is unfortunately also very superficial like that. So they will enjoy that time when you are spending money on them and are wining and dining them but if you really haven't thought about what you are going to do next or outside of that and how it will live further it really will end.

Brands that have thought about how to take the concept of Branded Entertainment and make it explode using things like digital or relationship marketing models, or other, are the ones that are seeing the genuine buy in from Generation Y markets. Grolsch swing top circle - which is essentially a group of guys that sit around a table and drink beer - but the elements that they incorporated into that started to elevate the property in that the guys that participated in it saw value further than just sitting there and drinking beer. The network started growing and because they were bringing in like-minded people, the value became apparent for the Generation Y market.

I think you need to approach them understanding that they will be sceptical of what you are trying to do, and they will be curators on behalf of themselves and their networks and last but not least is that these people are not by any stretch of the imagination dummies. You cannot pull the wool over their eyes.

Generation Y has a positive view towards Branded Entertainment - if it is a genuine and authentic campaign. There must be authenticity in what we are trying to communicate. Authenticity is so subjective, and that's where brands need to be cautious because when they look at Generation Y as a homogeneous group of people it can also be very dangerous. Within Generation Y you have so many fragments of youth and an approach where you try to generalise can backfire. You can end up isolating a lot of the target niche markets within Generation Y. Brands must be diligent in investigating these particular segments with Generation Y - so that when they are out together a Branded Entertainment property is authentic and it is a real experience. That is the real work for brands. Spending the time getting to know Generation Y but also specifically the segment that you are trying to talk to - is it the hip-hopers, skaters or another group - they are all different markets under the Generation Y banner.

*Q: Any closing remarks?*

A: I think that Branded Entertainment still has a long way to go. I think the science of it has not been understood. I think that brands go with it because it feels intuitively right. But, the science of it such as was there a return on investment or latching to a property or artist - is still under research. I think that most people that try to undertake Branded Entertainment are in the Generation Y market so it feels like the right thing to do. And that is a good aspect, but is it not the ambit. The ambit says it feels right, and I can quantify why it's right for business, and I can measure it and provide a reason why you should do it. Hence, I think a lot of small businesses struggle to sell this idea - because they fail to bring across the metrics for something that may seem intuitively the right thing to do.

Brands that are investigating Branded Entertainment and that are brave are really going to find themselves with a sweet spot. Those that do it right could build a lot of equity within their brands and at least sell lots of stuff.

## APPENDIX C: QUANTITATIVE RESEARCH INSTRUMENT



### Please indicate your:

Sex Male ☐ Female ☐  
Age (years) 16-19 ☐ 18-24 ☐ 25-29 ☐ 30-33 ☐ over 33 ☐

### Questions

*Select the option that best describes your response to the statement.*

1. Entertainment activities are an important part of my lifestyle.  
Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐
2. I notice brands more when they are part of an event or concert than a TV or radio ad.  
Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐
3. I skip over all traditional TV advertisements where it is possible, using technology (e.g. PVR or DVD).  
Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐
4. It is okay for advertisers to pay to have brand-name products included in video games.  
Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐
5. I have a positive view of brands that get involved in entertainment experiences.  
Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐
6. I will not go to a movie if I know beforehand that brands have been placed prominently in the movie.  
Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐
7. I am more open to brand messaging during an entertainment experience that the brand is a part of.  
Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐
8. It is important to me that the brand I support (purchase from) has the same values as my friends and I do.

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

9. I consider brands that get involved in entertainment experiences as manipulative.

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

10. Brands that market to me using entertainment platforms are more fun than those that use traditional communication.

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

11. It is okay for musicians to be paid to wear or use brand-name products in their music videos.

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

12. All brands that I support should be associated with a fun entertainment experience.

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

13. Entertainment (leisure) activities are part of my value system.

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

14. Brands that want to be a part of an entertainment experience should not disrupt the entertainment with their messaging.

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

15. I notice brands more when they are part of a music video or video game than a TV advertisement.

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

16. I support brands that I feel reflect my own values and ethos.

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

17. It is better for brands to market to me while I am being entertained rather than traditional advertising (such as TV adverts).

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

18. I consider entertainment experiences with brands as fun.

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

19. The paid placement of brands in movies should be completely banned.

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

20. I prefer to see real brands in TV, movies, and video games than fictitious brands.

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

*Thank you for your time.*



## APPENDIX D: FACTOR AND REGRESSION ANALYSIS

Descriptive Statistics

	Mean	Std. Deviation	Analysis N
Q17	3.580	1.0182	319
Q15	3.549	1.0974	319
Q7	3.533	1.0542	319
Q10	3.865	.9098	319
Q12	3.276	1.0899	319
Q1	4.041	.9188	319
Q13	3.643	.9570	319
Q3	3.411	1.2554	319
Q18	3.812	.8179	319
Q16	3.897	.8571	319
Q8	3.589	1.0479	319
Q19 Rev	3.624	1.0138	319
Q6 Rev	3.476	1.0925	319
Q9 Rev	3.455	1.1287	319
Q4	3.705	1.0644	319
Q11	3.984	.9824	319
Q5	3.853	.8543	319
Q20	3.984	1.0046	319

Q14	4.003	.9231	319
Q2	3.618	1.1511	319

**Correlation Matrix**

		Q17	Q15	Q7	Q10	Q12	Q1
Correlation	Q17	1.000	.373	.335	.387	.306	.210
	Q15	.373	1.000	.277	.260	.399	.324
	Q7	.335	.277	1.000	.193	.140	.101
	Q10	.387	.260	.193	1.000	.367	.330
	Q12	.306	.399	.140	.367	1.000	.278
	Q1	.210	.324	.101	.330	.278	1.000
	Q13	.142	.190	.174	.154	.227	.442
	Q3	.212	.185	.105	.233	.142	.247
	Q18	.339	.273	.179	.283	.348	.194
	Q16	.069	.121	.016	.022	.122	.021
	Q8	-.071	-.047	.014	.018	.144	.021
	Q19 Rev	.060	.084	.094	.156	-.051	.084
	Q6 Rev	-.060	-.090	.025	.068	-.116	.103
	Q9 Rev	.189	.126	-.014	.201	.072	.125
	Q4	.022	.063	.138	.095	.030	.099

Q11	.147	.154	.127	.184	.148	.151
Q5	.225	.197	.245	.355	.240	.368
Q20	.049	.213	.109	.084	.070	.059
Q14	-.005	.042	.014	.001	-.023	.059
Q2	.201	.353	.267	.254	.260	.324

**Correlation Matrix**

	Q13	Q3	Q18	Q16	Q8	Q19 Rev
Correlation Q17	.142	.212	.339	.069	-.071	.060
Q15	.190	.185	.273	.121	-.047	.084
Q7	.174	.105	.179	.016	.014	.094
Q10	.154	.233	.283	.022	.018	.156
Q12	.227	.142	.348	.122	.144	-.051
Q1	.442	.247	.194	.021	.021	.084
Q13	1.000	.188	.171	.189	.113	.043
Q3	.188	1.000	.026	-.057	.000	.075
Q18	.171	.026	1.000	.143	.174	.142
Q16	.189	-.057	.143	1.000	.320	.006
Q8	.113	.000	.174	.320	1.000	.061
Q19 Rev	.043	.075	.142	.006	.061	1.000
Q6 Rev	-.080	.059	.030	-.058	-.013	.338

Q9 Rev	.101	.048	.287	-.039	.012	.213
Q4	.017	-.008	.005	-.116	.063	.011
Q11	.141	.102	.133	-.009	.040	.146
Q5	.339	.183	.262	-.047	.076	.175
Q20	.046	-.007	.207	-.002	.015	.164
Q14	.097	.026	-.016	-.031	.128	.048
Q2	.238	.190	.277	-.072	.081	.068

**Correlation Matrix**

	Q6 Rev	Q9 Rev	Q4	Q11	Q5	Q20
Correlation Q17	-.060	.189	.022	.147	.225	.049
Q15	-.090	.126	.063	.154	.197	.213
Q7	.025	-.014	.138	.127	.245	.109
Q10	.068	.201	.095	.184	.355	.084
Q12	-.116	.072	.030	.148	.240	.070
Q1	.103	.125	.099	.151	.368	.059
Q13	-.080	.101	.017	.141	.339	.046
Q3	.059	.048	-.008	.102	.183	-.007
Q18	.030	.287	.005	.133	.262	.207
Q16	-.058	-.039	-.116	-.009	-.047	-.002
Q8	-.013	.012	.063	.040	.076	.015

Q19 Rev	.338	.213	.011	.146	.175	.164
Q6 Rev	1.000	.183	.075	.057	.096	.076
Q9 Rev	.183	1.000	.054	.145	.275	.084
Q4	.075	.054	1.000	.248	.253	.116
Q11	.057	.145	.248	1.000	.252	.118
Q5	.096	.275	.253	.252	1.000	.213
Q20	.076	.084	.116	.118	.213	1.000
Q14	-.039	.005	-.031	.066	.025	.098
Q2	-.075	.141	.093	.081	.358	.201

**Correlation Matrix**

		Q14	Q2
Correlation	Q17	-.005	.201
	Q15	.042	.353
	Q7	.014	.267
	Q10	.001	.254
	Q12	-.023	.260
	Q1	.059	.324
	Q13	.097	.238
	Q3	.026	.190
	Q18	-.016	.277

Q16	-.031	-.072
Q8	.128	.081
Q19 Rev	.048	.068
Q6 Rev	-.039	-.075
Q9 Rev	.005	.141
Q4	-.031	.093
Q11	.066	.081
Q5	.025	.358
Q20	.098	.201
Q14	1.000	.072
Q2	.072	1.000

#### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.749
Bartlett's Test of Sphericity    Approx. Chi-Square	1088.268
df	190
Sig.	.000

#### Communalities

	Initial	Extraction
Q17	1.000	.607
Q15	1.000	.539
Q7	1.000	.640
Q10	1.000	.478
Q12	1.000	.538
Q1	1.000	.612
Q13	1.000	.579
Q3	1.000	.519
Q18	1.000	.625
Q16	1.000	.693
Q8	1.000	.641
Q19 Rev	1.000	.643
Q6 Rev	1.000	.624
Q9 Rev	1.000	.604
Q4	1.000	.726
Q11	1.000	.406
Q5	1.000	.580
Q20	1.000	.573
Q14	1.000	.532
Q2	1.000	.520

Extraction Method: Principal  
Component Analysis.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings	
	Total	% of Variance	Cumulative %	Total	% of Variance
1	3.920	19.600	19.600	3.920	19.600
2	1.691	8.455	28.055	1.691	8.455
3	1.437	7.183	35.238	1.437	7.183
4	1.280	6.402	41.640	1.280	6.402
5	1.223	6.113	47.753	1.223	6.113
6	1.109	5.547	53.300	1.109	5.547
7	1.018	5.090	58.391	1.018	5.090
8	.953	4.766	63.157		
9	.878	4.392	67.548		
10	.862	4.310	71.858		
11	.756	3.778	75.636		
12	.701	3.503	79.139		
13	.688	3.439	82.578		
14	.640	3.200	85.778		
15	.561	2.805	88.583		



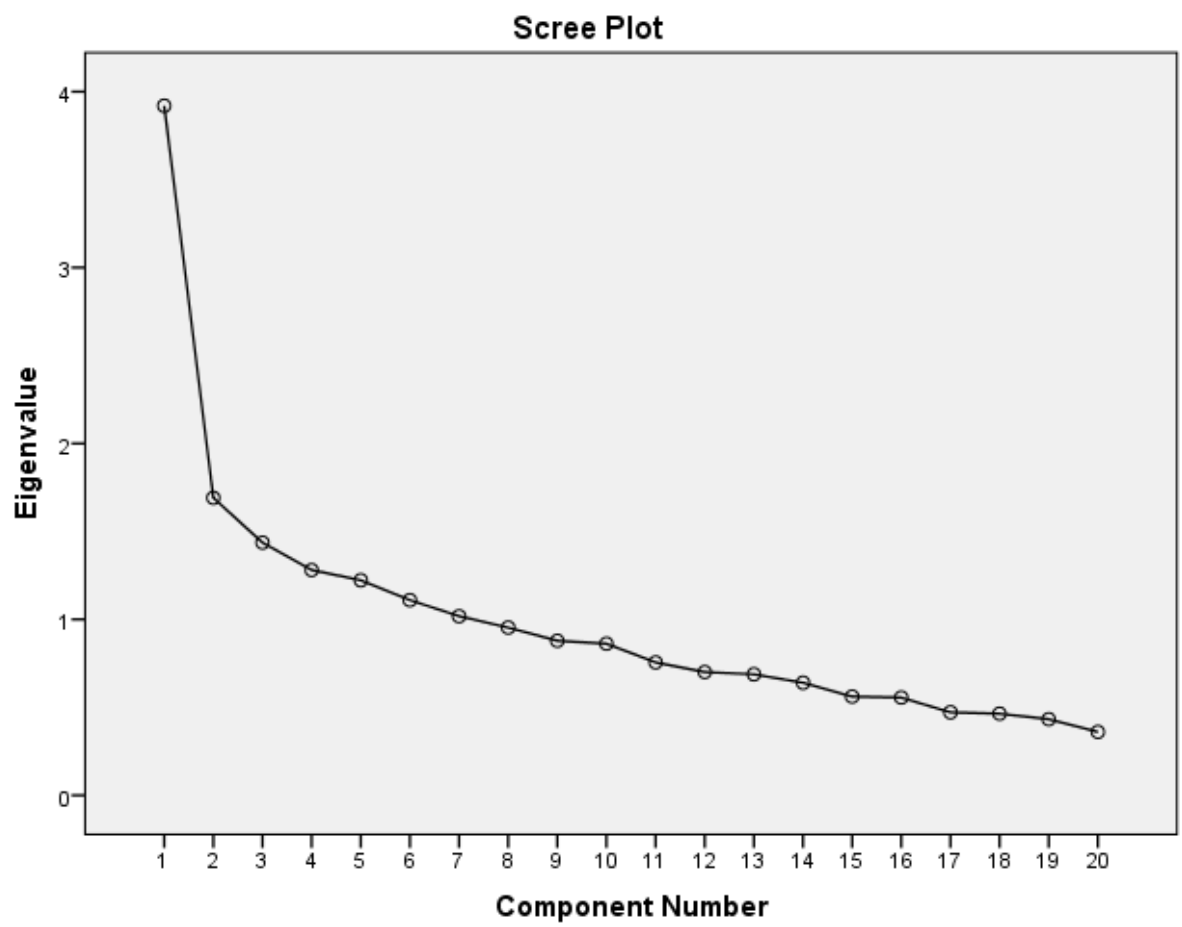
16	.556	2.778	91.361		
17	.472	2.358	93.719		
18	.464	2.319	96.038		
19	.432	2.162	98.199		
20	.360	1.801	100.000		

### Total Variance Explained

Component	Extraction Sums of Squared Loadings	Rotation Sums of Squared Loadings		
	Cumulative %	Total	% of Variance	Cumulative %
1	19.600	2.360	11.801	11.801
2	28.055	2.030	10.149	21.950
3	35.238	1.523	7.617	29.568
4	41.640	1.511	7.556	37.124
5	47.753	1.484	7.418	44.542
6	53.300	1.471	7.354	51.895
7	58.391	1.299	6.495	58.391
8				
9				
10				
11				

12				
13				
14				
15				
16				
17				
18				
19				
20				

Extraction Method: Principal Component Analysis.



**Component Matrix<sup>a</sup>**

	Component						
	1	2	3	4	5	6	7
Q5	.649	.246	-.003	.240	-.001	-.132	-.155
Q10	.618	.039	-.113	-.194	-.143	-.153	.008
Q15	.607	-.230	-.156	-.142	.160	.201	.088
Q1	.598	-.026	-.072	.277	-.395	-.014	-.122
Q2	.584	-.072	-.132	.177	.121	.274	-.188

Q17	.571	-.166	-.231	-.397	.037	-.026	.203
Q12	.568	-.387	.004	-.126	.041	-.164	-.148
Q18	.563	-.069	.284	-.371	.173	.020	-.233
Q13	.494	-.221	.151	.397	-.324	.001	-.028
Q11	.378	.255	.034	.204	.182	-.321	.135
Q6 Rev	.061	.666	.193	-.161	-.266	-.027	.207
Q19 Rev	.255	.553	.306	-.192	-.138	.221	.271
Q8	.132	-.188	.715	.216	.060	-.143	.077
Q16	.099	-.427	.622	-.137	-.055	-.145	.267
Q20	.302	.240	.142	.043	.480	.405	-.090
Q3	.363	-.001	-.263	.120	-.474	.074	.272
Q14	.079	.001	.186	.409	.033	.566	.047
Q4	.213	.324	-.103	.388	.420	-.487	.037
Q7	.443	-.032	-.174	-.019	.303	.056	.563
Q9 Rev	.364	.378	.161	-.290	-.119	-.030	-.451

Extraction Method: Principal Component Analysis.<sup>a</sup>

a. 7 components extracted.

**Rotated Component Matrix<sup>a</sup>**

	Component
--	-----------

	1	2	3	4	5	6	7
Q17	.748	.124	.134	-.005	.031	-.035	-.111
Q7	.650	.013	-.307	.276	.126	.035	.171
Q15	.648	.193	.119	.004	-.111	.002	.235
Q10	.466	.343	.296	.147	.124	-.026	-.135
Q12	.464	.269	.319	.070	-.308	.212	-.062
Q1	.137	.739	.179	.110	.010	-.010	.050
Q13	.060	.685	.035	.076	-.093	.273	.128
Q3	.252	.585	-.199	-.068	.200	-.145	-.092
Q9 Rev	.011	.108	.714	.049	.269	-.085	.006
Q18	.423	.005	.598	.019	.016	.264	.136
Q4	-.023	-.022	-.017	.848	-.047	-.063	.006
Q11	.143	.132	.046	.584	.137	.076	.009
Q5	.167	.444	.325	.461	.093	-.029	.167
Q6 Rev	-.101	.028	.105	.105	.762	-.052	-.090
Q19 Rev	.110	.034	.126	.021	.757	.078	.187
Q16	.152	-.008	-.031	-.145	.004	.796	-.115
Q8	-.131	.074	.056	.144	.007	.759	.133
Q20	.176	-.169	.217	.176	.105	-.027	.651
Q14	-.125	.203	-.177	-.118	.048	.086	.648
Q2	.321	.356	.223	.113	-.163	-.108	.435

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.<sup>a</sup>

a. Rotation converged in 9 iterations.

**Component Transformation Matrix**

Component	1	2	3	4	5	6	7
1	.641	.540	.376	.303	.084	.108	.214
2	-.269	-.113	.195	.387	.747	-.397	.106
3	-.279	-.102	.245	-.049	.275	.859	.189
4	-.467	.473	-.405	.436	-.248	.042	.375
5	.238	-.676	.015	.466	-.308	.026	.417
6	.073	.019	-.090	-.585	.143	-.196	.765
7	.399	-.062	-.767	.079	.427	.229	-.088

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

